

11 MARCH 1988



**FOREIGN  
BROADCAST  
INFORMATION  
SERVICE**

---

# ***JPRS Report***

# **West Europe**

---

# West Europe

JPRS-WER-88-016

## CONTENTS

11 MARCH 1988

### POLITICAL

#### BELGIUM

- Malaise Alleged in Internal Security Organization ..... 1

#### FINLAND

- Papers Assess Slight Drop in Holkeri Government Favor ..... 2  
Views on Holkeri's Performance ..... 2  
AAMULEHTI Assesses Polls ..... 2  
Leading Paper Cites Successes ..... 3

#### GREECE

- Year Seen Beginning With Political Impasse ..... 4  
Electoral Outcome Seen Depending on Broad Leftist Coalition ..... 5  
Polls Reveal Voting Patterns, Specificities [K. Panagopoulos; ENA, 7 Jan 88] ..... 6  
Rising Athens Mayor Interviewed on Future Plans ..... 11

#### ITALY

- PSI's Craxi Discusses Reforms With MSI [LA REPUBBLICA, 23 Dec 87] ..... 12

### MILITARY

#### DENMARK

- Stevens Fort Plays Key Role in Guarding Baltic ..... 13  
Naval Home Guard Hopes for 12 New Cutters To Replace Old ..... 15

#### FINLAND

- INF Treaty Presents New Challenge for Security Policymakers ..... 17  
Poll on Defense Attitudes: More Support Armed Resistance ..... 18  
Armed Forces Modernize Air Defense Artillery ..... 19  
Armed Forces' Personnel Shortage Most Serious in North ..... 19  
Funds Shortage Causes Scaling Down of Biannual Lapland Exercise ..... 20  
Paper Criticizes Official Stance on FRG Troops in Norway  
[HELSINGIN SANOMAT, 28 Dec 87] ..... 21  
Defense Minister Sees Need To Liberalize Arms Export Laws ..... 21  
Would Aid Domestic Industry ..... 21  
Paper Comments on Plan ..... 22  
Conservatives Ready First Goals Statement as Ruling Party ..... 23

#### ITALY

- General Di Martino on Future Prospects of Army [INTERARMA NEWS, 2 Dec 87] ..... 24  
Defense Minister Notes Poor Morale, Increased Suicides in Military  
[LA REPUBBLICA, 9 Feb 88] ..... 26

## NORWAY

INF Treaty Creates New Challenges for Security Policy .....	27
New Course for NATO .....	27
Problem of Cruise Missiles .....	28
Army Inspector General Cites Shortages of Officers, Ammunition .....	28

## SWEDEN

Defense Research Institute Sees Lighter Armor for Tanks .....	29
---	----

## ECONOMIC

### FINLAND

Paper Comments on OECD Report Predicting Inflation Return .....	30
---	----

### FRANCE

Aerospatiale Shows High Export Rate for 1987 .....	30
--	----

### GREECE

Inflation Rate High [ <i>1 VRADYNI, 11 Dec 87</i> ] .....	31
Pessimistic Overview of 1988 Economic Developments [ <i>1 VRADYNI, 15 Jan 88</i> ] .....	31

### ICELAND

Newspaper on Economic Outlook For 1988 .....	32
--	----

### ITALY

Benefits of 'Perestroika' for Economy Debated .....	33
Doubts Expressed [ <i>Luciana Santaroni; ITALIA OGGI, 11 Dec 87</i> ] .....	33
Fiat's Opinion [ <i>Luciana Santaroni; ITALIA OGGI, 11 Dec 87</i> ] .....	33
Fata Sees No Problem [ <i>Luciana Santaroni; ITALIA OGGI, 11 Dec 87</i> ] .....	34

### NORWAY

Agreement With USSR on Arctic Technical Research .....	34
--	----

### SWEDEN

Feldt's Budget Proposal, Economic Assumptions Questioned .....	35
--	----

## BELGIUM

### Malaise Alleged in Internal Security Organization

36190004 Brussels LE VIF/L'EXPRESS in French  
1-7 Jan 88 pp 8-9

[Text] The Intelligence Establishment (SE) is in turmoil. As a matter of fact, the Westland New Post (WNP) Affair, the neo-Nazi group infiltrated by Inspector Christian Smets (the "Duck"), left its mark on that branch of the Internal Security Administration of the Ministry of Justice. Since the May 1987 trial of Marcel Barbier and Eric Lammers, two WNP members accused of having assassinated Fons Vandermeulen and Francesca Arcoulin, a peaceful couple whom they wrongly suspected of belonging to the KGB, some of the personnel is challenging more and more how that service is being run. As a matter of fact, although Barbier was sentenced to life imprisonment and Lammers acquitted, many questions have remained unanswered on the role played by the SE leadership in its handling of the WNP; SE is located Square de Meeus (Brussels). Some agents wonder, in particular, why Joseph Kause, an inspector who was watching the WNP with the help of paid informers, was penalized and transferred to the Foreigners' Office after denouncing the practices of his colleague Smets. They also want to know why the latter, who had indeed committed "errors" in his handling of the WNP, had not been truly punished and continues to have the support of his chiefs. An old story? On the contrary. The WNP members are scheduled to be tried soon in the court of summary jurisdiction for having broken the 1934-1936 laws pertaining to private militias and for having stolen NATO confidential telexes. Unless otherwise ordered, they will once again make legal headlines in the weeks or months to come. The SE is therefore dreading the time when its practices will once again be exposed to public scrutiny. Albert Raes, the SE general administrator, must be inwardly aware of the doubts which trouble his troops. As a matter of fact, after Barbier's and Lammers' trial, he had considered distributing the indictment of Public Prosecutor Jean-Pierre Jaspar, who was defending his service, in order to boost the morale of the "House." In the end, it was not done. Meanwhile, people at the Square de Meeus are disheartened. The various brigades work in slow motion and gossip is rampant. Although this information is without foundation, it is being whispered, among other things, that Raes, informally nicknamed "Albert" or the "AGD," might apply for a post as ambassador or provincial governor, in order to leave the "House" without losing face. It is also being said that Minister of Justice Jean Gol is upset by the quarrels among the leaders of the Secret Service which he controls with difficulty. Moreover, several decisions by "House" officials fuel the malaise of the counter-intelligence agents. Here is an example among others: a service memorandum was recently released, forbidding the personnel to go to certain cafes near the Square de Meeus offices. To be sure, one of these establishments is a meeting place for Brussels' extreme right and, in particular, for friends of Jean Bultot, the former deputy

director of the Saint Gilles prison, in exile in Paraguay. This does not prevent the "spies," who after all remain civil servants, to criticize this measure.

The "House" climate has also become more oppressive due to the opening of an internal investigation aiming to prove that some inspectors have had dealings with the press. This is an absolute crime in Raes' eyes. Using the "umbrella technique" with consummate art, officials lost no time in informing against their subordinates. Others took advantage of the situation to settle personal grudges by pointing out "culprits" to earn the vindictiveness of "Albert" and Colonel De Vlieghe, his deputy, nicknamed "Tarass Boulba." Yet, it is by reading the papers, which they distrust so much, that SE agents learned that some of their colleagues were following closely the investigations pertaining to the Brabant killings. This interference surprises many since Internal Security has no judicial powers. Under these circumstances, why would the Belgian "James Bonds," who are supposed to be hunting down spies, terrorists and subversives, inquire into criminal cases? Maybe because the killings could come under political consideration. In any case, it is a fact that the attack against the Dekaise arms factory in Wavre (which is also the first time the killers made their appearance) does not leave the SE indifferent. Moreover, one could wonder why a man introducing himself as a SE inspector advised a BSR [Special Investigation Brigade] non-commissioned officer, investigating the Mendez affair, not to show too much zeal. Would the "House" know more than it is saying?

The recent turns taken by the "Bonvoisin Affair" are another source of irritation. The whole thing began when the "Parliamentary Commission to investigate problems pertaining to the maintenance of order and private militias" was created on 19 June 1980 with Jos Wijninckx (SP [Flemish-speaking Socialist Party]) as its chairman. On 19 February and 22 April 1981, Raes spoke behind closed doors about possible links between CEPIC [Political Center of Christian Independents and Cadres] (the right wing of the PSC [French-speaking Christian Social Party] for which Baron Benoit de Bonvoisin was treasurer) and the extreme right. However, the administrator of Internal Security did not name any names. As he always does when he addresses people outside the "House," he merely spoke in generalities. On 23 April 1981, upon request of several parliamentarians, Wijninckx wrote Philippe Moureaux, who, at the time, was minister of justice, in order to obtain further information. Moureaux forwarded this letter to the SE which wrote two reports specifying that de Bonvoisin was indirectly financing the Youth Front through the General Promotion and Distribution Company (PDG). This company, which was publishing 200 copies of the INFO-REP bulletin, a daily press review, anti-communist in leaning, was housed in the same building as the CEPIC. In one of its memos, the counterintelligence agency also asserted that the baron had harbored, a fleeing neonazi terrorist, Eckerard Weil, in his Maizeret castle.



On 8 May, these explosive facts, combined in a single report by the Ministry of Justice, were incidentally brought to the attention of the Council of Ministers during discussion of a minor point on the agenda. The text was sent to five ministers and to Wijinckz 3 days later. The scandal, however, did not break until 19 May 1981. On that day, the daily newspaper, DE MORGEN, published the content of the memo, thus giving rise to unrest which still persists 6 years later.

De Bonvoisin, however, waited until 1983 before filing a charge of libel against Raes and Smets, the SE man who had infiltrated the extreme right. Carried away by the situation, he also cited Moureaux, followed by Claude Eerdeken, burgomaster of Andenne, who, in November 1982, had accused him of having organized an international meeting of the extreme right in his castle, under the protection of para-commandos. However, the two men have reconciled: Eerdeken has made due apologies. The former CEPIC treasurer also went to war against both TFI, the French network which had made a sequel to the affair, and the BRT.

Events began to move fast 3 years later: de Bonvoisin secured the hearing of six intelligence agents. Considering the affair barred by the statute of limitations, the court however dismissed the charge in June 1987. The baron then filed an appeal and his complaint landed before the grand jury of the Appellate Court of Brussels. In an judgment bound to become famous, the latter recently released Judge Francine Lyna from the preliminary investigation of the case and assigned Judge Collin in her place. The court also ordered some 20 additional reports (further investigations); among these: in the bookkeeping of the Internal Security Organization, the search for documents able to prove that SE would be paying journalists; at the Ministry of Justice and at the Square de Meeus, the seizure of documents related to the links having existed between the extreme right and CEPIC, as well as the seizure, at the Parliament, of the records of the Wijinckz Commission's hearings of Raes, Moureaux and Guy Mathot, at the time, minister of the interior. The intelligence establishment is getting ready to go through a new troubled period.

6857

## FINLAND

### Papers Assess Slight Drop in Holkeri Government Favor

#### Views on Holkeri's Performance

36170038b Helsinki HELSINGIN SANOMAT  
in Finnish 28 Dec 87 p 6

[Article: "Opinion Polls: Popularity of Holkeri Government Declining"]

[Text] According to two opinion polls published on Sunday, the popularity of Prime Minister Harri Holkeri's government is in a slight decline. The Oulu

KALEVA and the Tampere AAMULEHTI had their own popularity ratings determined through Finnish Gallup Company polls just before Christmas.

KALEVA asked respondents about Holkeri's personal popularity with them. AAMULEHTI, on the other hand, asked respondents to assign old-fashioned school grades to the ministers of the Conservative-Left government. Both papers had commissioned the same kinds of polls last spring immediately after the appointment of the government.

In the poll commissioned by KALEVA last spring 55 percent of the respondents declared that they were very or fairly well satisfied with Holkeri's performance. In the new poll conducted now, six months later, 45 percent of the respondents are satisfied with it. The number of those who are very satisfied with it has dropped from 14 to 8 percent.

The number of those who are dissatisfied with Holkeri's performance has risen from 7 percent in the spring to 17 percent now. Five percent are now very dissatisfied with it, whereas in the spring 2 percent were.

KALEVA uses Center Party chairman Paavo Vayrynen as a basis of comparison with Holkeri. The popularity of the opposition leader has remained unchanged. Forty-five percent of those polled declared that they were dissatisfied with Vayrynen's performance. Twenty-one percent of them were very or fairly well satisfied with it.

Respondents in the poll commissioned by AAMULEHTI gave the government a passable 6.9 [on a scale of 1 to 10 where 10 is top grade]. The corresponding figure in the spring was 7.16. With 7.44, Holkeri had the highest grade of the individual ministers. Foreign Minister Kalevi Sorsa (Social Democrat), who was in the lead in the popularity ratings with a grade of 8.3 as recently as last spring, is now second with a grade of 7.28 and, running third, Education Minister Christoffer Taxell (Swedish People's Party) received a grade of 7.26. The grades for the top three have dropped from last May's figures.

Labor Minister Matti Puhakka (Social Democrat) remains at the bottom of the ratings scale. AAMULEHTI had the same kinds of polls conducted during the term of the last government too. The labor minister was at the tail end of the popularity scale then too.

#### AAMULEHTI Assesses Polls

36170038b Helsinki HELSINGIN SANOMAT  
in Finnish 28 Dec 87 p 6

[Text] The Tampere AAMULEHTI has commissioned an opinion poll in which the respondents had to assign grades to the different ministers. The government as a

whole received a grade of 6.9. This grade has dropped from that of the first poll in the spring. AAMULEHTI presents and comments on the results of the poll in its editorial:

"The first poll, which, because of the time it was conducted, revealed expectations directed at the government, was conducted in the spring. These were very great and were indicative of citizens' very great satisfaction with the change in the government coalition, the first real change desired by a majority of our citizens since the Popular Front and Left-Center coalition years. At the time, a judgment of the newly-formed government could not be made on a realistic basis or acted upon using [the poll] as a gauge.

"In the poll conducted six months later, we are now operating on a realistic basis, although six months is indeed still too short a time to offer anything but an interim judgment. The government has, after all, had a chance to initiate those reforms that affect citizens the most, from taxes to labor reform. Thinking of tax reform in particular, it is evident that chiefly the negative scare factors which the opposition has diligently raised have so far managed to influence attitudes. It is likely that these factors have influenced the drop in popularity, in comparison with the spring, of Tax Minister Ulla Puolanne, who is under fire.

"The drop in the grade for the government as a whole is no surprise. If we are looking for surprises, we may perhaps view as such the clearly above-average drop in the grades for experienced Ministers Kalevi Sorsa and Christoffer Taxell, the same sort of phenomenon is also visible with regard to Ilkka Suominen and Harri Holkeri, but it has not prevented Holkeri from rising to become the most popular member of the government.

"In the group of popular ministers, Helena Pesola has stayed on top in keeping her grade at the level of people's expectations. In the second group and regarded 'as unknown,' Jarmo Rantanen and Kaj Barlund have improved their positions and increased their popularity. The labor minister appears to be the least popular, although Matti Puhakka's popularity has not dropped to anywhere near the figures for Leppas.

"Perhaps most interesting politically is the attitude of Center Party supporters, which differs from the others in that the grade assigned on realistic grounds is higher than what was expected in the spring. Party supporters have recovered from their disappointment with the government in the spring faster than the party leaders have. This is realism too."

#### **Leading Paper Cites Successes**

36170038b Helsinki HELSINGIN SANOMAT  
in Finnish 3 Jan 88 p 2

[Text] In 1987 50 years had passed since the launching of the Left-Center coalition that had proven to be so successful. The Center Party alone has behind it an even

more impressive history in the government: Not a single majority government had been formed without it in this country up until last spring. Until President Koivisto went and brought the Conservative Party and the Social Democrats together to form an entirely new kind of Conservative-Left government.

It was a historic event all the dimensions of which it is too soon to judge. Afterward Koivisto said that he was surprised that the Conservative-Left government came into being so easily, although it took place unchallenged under Koivisto's "manual" direction. Relying on the direction of an automaton apparently would have resulted in a purely nonsocialist government.

It is, however, pointless for the Center Party to bear a grudge against Koivisto alone. The Conservative Party really changed course very readily and hardly regretted its decision. Its own presidential candidate occupies the office of prime minister; he is not the president's challenger, but rather his dupe. In both the Conservative Party and the SDP [Social Democratic Party] they can, of course, figure out that after Koivisto's terms in office it does not seem that the Social Democrats will have a realistic chance of winning a presidential race. Both share a common desire to keep Paavo Vayrynen from becoming president.

Ideologically, the Conservative-Left government is without a doubt an oddball. It is the best proof of the fact that, instead of ideology, they are now swearing in the name of a much-talked-of structural change. They cannot even show how logical and downright inevitable a development the birth of the Conservative-Left government was from the point of view of a structural change in the society. The concept of controlled structural change belongs to the political inspirations of past years. At the present time it has become a key element of the Finnish consensus climate.

The people of Finland have without any difficulty adjusted to the new political configurations. Up until the last elections they regarded the Left-Center coalition as clearly the best alternative for a government. Now the Conservative-Left coalition appears to be even better. The opinion polls do not corroborate Vayrynen's talk of widespread dissatisfaction with the present trend in the government. The school grades obtained by the government and its different ministers in the opinion polls have, to be sure, dropped, but the same thing happens to any government once the honeymoon is over.

The Conservative-Left government has gotten through its first budget without any difficulty, but it is only now facing a real test situation. In connection with labor reform, SDP chairman Pertti Paasio is already threatening the government with strict deadlines. However, no one really believes that the SDP would at this point go ahead and disrupt the harmonious presidential election set-up with a government crisis. There will not be a more

serious situation until later, in the spring, when the Social Democrats and the Conservative Party will probably have to reach agreement on the promised tax reform.

The present Conservative-Left government is from many points of view a viable solution for the country. It appears to be ensuring continuation of the national climate of consensus. As time goes by, however, it will be impossible to avoid the question of principle: Is not a long-term alliance between the Right and Left unnatural under a normal parliamentary system? It may lead to the atrophying of both parliamentary democracy and national debate.

11466/12913

## GREECE

### Year Seen Beginning With Political Impasse

35210055b Athens KYRIAKATIKI

ELEVETHEROTYPIA in Greek 3 Jan 88 p 9

[Commentary by Potis Paraskevopoulos: "Party Policies Revolve About an Unending Axis"]

[Text] The new year, 1988, has inherited from the old the total failure of this country's political parties to rekindle in the nation hope for a better future. Their behavior in the past year was such as to disappoint even their enthusiastic supporters. Not a single party has any attraction any more. All of them draw their strength from the rejection of the others. Each one bombards us with the others' negatives. Political thought has bogged down. This is the political reality as the new year dawns.

In its 7th year of governance, PASOK continues to revert to the sloganeering of 1981. In fact PASOK's Marxists—Sotiris Kostopoulos, Menios Koutsogiorgas and all the others—go even further back, to the sloganeering of 1965 and 1952! Seven years in the government and the dread that the voters of the Communist left might desert them in the next elections has riveted their political thought to the past. They do not realize that PASOK's decline is a general one and is due not to what they promised and did not do, but rather to what they, as a government, did do.

The error of PASOK's leaders lies in their belief that the party's decline is natural after so many years in power. If PASOK had conducted a proper government policy from the time it took power, today it would have attracted a larger portion of the electorate than it had in 1981. But PASOK did not exercise the power of government, it enjoyed power. That is the cause of its decline. The proper exercise of power comes to make fewer and fewer people unhappy and makes more and more of them happy. This is the unfailing test of proper policy.

Another error of PASOK's leaders is their certainty that they will escape the policy dead end by reconstituting the antiright front. The antiright front worked as long as the right formed the government and its policy came to make more and more people unhappy and made fewer and fewer of them happy.

Today comparisons with the past do not carry much weight. PASOK has quite a long past of its own in the government. And recent memories weaken or even erase old ones. The only thing Menios Koutsogiorgas and Sotiris Kostopoulos can accomplish by reminding those on the left of the slogan "Plastiras, Papagos—there's no difference" is to limit the votes of the Communist left. But that does not limit ND's votes. The electorate's problem today is not "Who shall govern?" but "How shall they govern?" And PASOK is still unprepared to reply as 1988 dawns.

In 7 years as official opposition ND has not played a worthy role. It has simply rejected PASOK. And today it has not convinced people that its advent to power would promote the development of Greek society. It does not bring new messages to the electorate. It gives the impression that it wants to take life in this country back to where it left it in 1981. It recalls the pre-PASOK era and does not present a post-PASOK program. It denies the need for Allagi [change] and has not gone beyond proclamations of Apallagi [deliverance; a pun implying de-change].

The error of ND's leaders is their conviction that disappointment with PASOK government is causing the electorate to remember the old days. Seven years ago the nation rejected ND government. It is not nostalgic for the past. It looks to the future. And ND's leaders have not convinced people that they have stopped looking to the past.

ND's mistake is that it has based its opposition on its 1981 positions. It has not realized that in the past 7 years the PASOK government has solved many problems and created just as many new ones. A new situation has arisen and demands new solutions. ND's leaders, as the official opposition, have not produced those new solutions. They have merely rejected PASOK, whereas they ought above all to have rejected much of their own past so as to convince people that they are new and have something new to offer.

The KKE has placed all of the nation's hopes and its own on a coalition of the left. The front syndrome has haunted the KKE ever since it was founded. It has not realized that a coalition of those left disappointed and despairing by PASOK cannot give birth to hope in an entire nation.

The KKE's error is that it is summoning all the political forces of the left to form a coalition to take power without a convincing program for power. It seeks to rally



disappointment rather than hope. The KKE's leaders speak of the Change which was betrayed by PASOK and do not tell us what Change the KKE is preaching.

The program for socialist Change in Greek society from the KKE's last congress does not differ greatly from that of its founding congress in 1918!

Thus the KKE leaders' policy is one of "collecting" voters unhappy with PASOK's "rightist" betrayal; it ignores the vast mass of voters unhappy with the failure of PASOK's "leftist" policy. As 1988 dawns, the KKE may offer some refuge to some dissatisfaction with PASOK but its policy is no bulwark of hope for the Greek nation.

The Greek Left shows no sign of bringing the spring its name suggests [the acronym for the party, EAR, means "spring"] and which it promised at its founding congress. It dropped the "K" [for "Communist"] from its name but left its policy in the iron grip of the Communist left, which is still as suffocating as ever, even with its modernizing proclamations.

The Greek Left's policy too revolves on rejecting PASOK and not on surpassing it. The Greek Left too seeks a portion of PASOK's disappointed dreamers. They are too few to bring spring. The great mass of people will be won over by whoever offers convincing solutions to the problems of Greek society, not leftist proclamations. PASOK's leaders were unbentable at leftist proclamations. Their leftist policy, however, was a failure. And that will cause problems for the political forces of the left in this country for a long time.

This is the political reality as 1988 dawns. It is a preelection time with the parties in a political dead end. Political thought is riveted to the historic past. The policy of the parties revolves about an unending axis.

12593

#### **Electoral Outcome Seen Depending on Broad Leftist Coalition**

35210055a Athens KYRIAKATI  
*ELEVETHEROTYPIA in Greek 3 Jan 88 p 8*

[Commentary by Giorgis Massavetas: "An Openhearted Left"]

[Text] Wherever you go, you hear with monotonous regularity the question, "Do you think there will be elections in '88?" And you cannot help asking in return, "Do you hope anything will come from the elections?" There is a group of around 30 percent that certainly hopes PASOK will win "so the right will not come back" and as for the rest, "we shall see." There is a group of roughly equal size that wants nothing more than to "get rid of those people." But what of the rest?

Let us risk the prediction, then, that elections will be held toward the end of 1988. Perhaps in November. After Papandreu has had 5 months to stake his last drachmas in the "big kids' game," with his initiatives as EC President. After he has won over some of the dissatisfied with 11 months' of giveaways, from automobile prices to agricultural pensions and from grants for unmarried mothers to a pension for the housewife. And after he has made some openings on the occasion of the PASOK congress to improve the situation within his movement. And after he has achieved some minor concessions on the national issues of Cyprus and the Aegean "as advance payment," thanks to the Turks' desire to enter the EEC, and with help from the Americans as well, who are interested in their bases. What will happen then?

Show me which newspaper Papandreu is pleased with today and I will tell you what will ensue if he wins a third independent majority in Parliament. And show me which newspaper fills Mitsotakis' heart with joy and I will tell you whether or not the blackest revanchism will prevail if ND should win an independent majority. An ND which today is as well organized and has "blue guards" as fanatic as those PASOK had at least on its road to power during the first years after its victory in 1981.

The critical question, then (since there neither is nor can be a center, despite the intentions of an honorable section of the electorate), is what will the left do? Once again the future of the country depends on the left but the leadership of that left is missing its chance.

If the parties, minor parties, and groups of the left manage to find a language to communicate in—if, that is to say, they alter the language they are using now, both each one internally and when they address the public; if they can agree on an honorable coalition of the left with a modern program capable of exciting the mind of modern man; if the KKE gets away from Kotzias' style of thinking, when he promises us that in the socialist society he dreams of, the only legal parties will be those which have signed statements of loyalty—you still have not gotten sick of "statements," comrades; if the renewing left escapes the bounds of comedy, where Baniyas, who accused Kyrkos of looking askance at the KKE, is now hastening to be the first to have "contacts" with him to escape the agony of disappearing entirely if the EDA [United Democratic Left] governing committee decides to put an end to the ridiculous sight of two EDA's and lets Glezos and his friends kill off this historic name—and everybody else can just get up and go somewhere else; if, finally, everybody realizes that 1988 is the most critical year in the history of the modern left in Greece, then the scene will be transformed.

The KKE ensures that Drettakis, Panagoulis, and Nasis get into Parliament. It appears that it will do the same for Arsenis as Deputy for Kefalonia. Well, it can also ensure that EAR [Greek Left] obtains a respectable number of

Deputies in tomorrow's Parliament, since the psychology of unity will produce far greater fruit than will merely adding together the portions of the electorate loyal to each party by itself today.

The two big parties, in any case, are more than ready to play the polarization card again. If Papandreou calls early elections, he will do so primarily in order to catch the left "asleep at the switch" once again, as it devotes itself to ideological debates as to whether it should cooperate in the form of "coalition," "solidarity," or "alliance."

Without a united left (with a modern program, free of empty phrases and talk about the past), one so openheartedly broad that it will even include KODISO [Democratic Socialism Party] and "other democratic forces," the result of the elections will be just the same as before, regardless of which of the two big parties wins and of whether they are held in late 1988 or when the current Parliamentary term expires.

Because, for all its mistakes—some of them criminal—it was the left which formed the lever which moved life forward, toward progress, in this country's difficult times. Whereas today that same left is being pulled, sadly, backwards.

12593

### **Polls Reveal Voting Patterns, Specificities**

35210070 Athens ENA in Greek 7 Jan 88 pp 51-56

[Article by K. Panagopoulos]

[Text] On what criteria do we elect those who govern us? Do logic, feelings or our pockets determine our electoral behavior? To what extent do the pre-electoral campaigns influence our choices? How do problems confronting us or how does our political position influence our choice? These and a few more similar questions are looked into by ENA today.

The program of each party and the glamour of its leader are the criteria by which the voter chooses the party that he wants to govern. The personality of the deputy plays a continuously smaller role.

The women of Greece vote for personalities! And this factor, tied to the sentimental nature of our compatriots and the significance of pre-electoral television appearances, that are constantly on the increase, signals an intrinsic peculiarity of the electorate.

Finances constitute for the Greek people a criterion for the selection of the party that they will vote for. And yet this criterion never prevails alone. It is associated with other factors and primarily with the program and the credibility of each party.

The electoral behavior of the Greek people, as well as those elements that shape it, constituted and continue to constitute a subject of spirited discussions and disagreements and, at the same time, a point of departure for a whole series of evaluations and conclusions that are sometimes closer to myth than reality.

So, according to these conclusions, the Greek people choose our government, as well as our government opposition, on the basis of clearly political criteria according to who we believe can solve our problems, on the basis of how sympathetic or repulsive the party leaders seem to us, in accordance with our family political tradition or finally the person we think will win. There are still some hundreds of other significant and credible criteria that, according to those who support them, decide on the results of elections in our country.

What, nevertheless, is the real situation? From the moment when the required long-term research and study has not been made, an overall answer is impossible. However, a first presentation, analysis and commentary on facts that derive from measurements of public opinion on this issue is possible and they present a credible picture of the variables that determine the electoral behavior of the Greek people.

### **Program, Ideology, Leader**

According to data derived from a polling of public opinion, three very significant criteria affect the choice of a given party. Its program (35.3 percent), ideology (28.1 percent) and leader (21.4 percent). A fourth criterion, but far removed from the others, is family political tradition (8 percent) (while 2.2 percent of those questioned mentioned other criteria, while 5.2 percent did not give an answer).

Despite the fact that there is no previous data to look into the criteria that determine our electoral behavior, on the basis of the experience of previous times, the weakening of the role of criteria that are linked to the personality of the leader and family political tradition appear to be striking.

Of course, this is so because both, primarily the former, constituted until very recently, determining factors for the success or failure of a given party. The weakening of these criteria is accompanied by the strengthening of the role of political and ideological criteria that appear to decide on our selection to a percentage that comes close to 65 percent.

The change in the conditions of the political game in our country in the years that followed the dictatorship period, when for years pent up feelings for projecting every kind of opinion found its outlet in free and vigorous ideological confrontations. Changes occurred in the foundations and operations of the political parties, with their gradual transformation from parties of leaders to parties of principles.

TABLE 1

(1) ΠΩΣ ΔΙΑΛΕΓΟΥΜΕ ΤΟ ΚΟΜΜΑ ΜΑΣ		
ΠΡΟΓΡΑΜΜΑ (2)		35.3%
ΙΔΕΟΛΟΓΙΑ (3)		28.1%
ΑΡΧΗΓΟΣ (4)		21.4%
ΟΙΚΟΓ. ΠΑΡΑΔΟΣΗ (5)		8.0%
ΑΛΛΟ (6)		2.2%
ΔΕΝ ΑΠΑΝΤΩ (7)		5.2%
Πηγή: Έρευνα MRB HELLAS, Μάρτιος 1985 (8)		

TABLE 2

(1) ΟΙ ΓΥΝΑΙΚΕΣ ΨΗΦΙΖΟΥΝ ΠΡΟΣΩΠΑ			
	(2)	(3)	
	ΑΝΤΡΕΣ	ΓΥΝΑΙΚΕΣ	
ΠΡΟΓΡΑΜΜΑ (4)	37.9%	32.9%	
ΙΔΕΟΛΟΓΙΑ (5)	30.2%	26.0%	
ΑΡΧΗΓΟΣ (6)	18.7%	23.9%	
ΟΙΚΟΓ. ΠΑΡΑΔΟΣΗ (7)	6.1%	9.9%	
ΑΛΛΟ (8)	2.1%	2.3%	
ΔΕΝ ΑΠΑΝΤΩ (9)	5.0%	5.3%	
Πηγή: Έρευνα MRB HELLAS, Μάρτιος 1985 (10)			

Key:

1. How We Choose Our Party
2. Program
3. Ideology
4. Leader
5. Family tradition
6. Other
7. I do not answer
8. Source: MRB HELLAS survey, March 1985

1. Women Vote Personalities
2. Men
3. Women
4. Program
5. Ideology
6. Leader
7. Family tradition
8. Other
9. I do not answer
10. Source: MRB HELLAS survey, March 1985

The continued increase in problems that led to the need for presenting concrete and integrated solutions and programs, as well as the frightening changes in the information media, mentality and culture in general, that involves a period of open democratic life of over 10 years, constitute the most evident reasons for this development.

It is, moreover, characteristic that the effect on electoral behavior of the ideology of a given party and the personality of its leader follows exactly just the opposite course in the age breakdowns. The influence of ideology increases as we go down the scale, while that of the leader's personality increases as we go up the scale. The older generations are influenced more slowly by changes.

#### Men and Women Voters

The increase in the influence of these criteria is not, of course, the same in all voters. To the contrary, as is natural, there are small or large and interesting differences according to sex, age group, social-economic grouping and political positioning. However, let us take things in turn. Let us take a look at Table 1 and Table 2.

Differences in the sexes are only quantitative. The influence of programs and ideology is about 5 percent greater among men, while the personality of the leader is greater by the same percentage among women.

So, then, women do their selecting much more personally, while the factor of family tradition is, of course, stronger in their choices than it is in men, although it does not substantially go beyond the average.

#### The Generation Gap

With regard to age groups, things are much more complex. We have already mentioned the impressive inverse movement of the influence of ideology and the personality of the leader. In the case of ideology, it drops as we go up the age scale, while in the case of the personality of the leader it increases. Also impressive are the extreme points of this movement. With regard to the younger age bracket, the influence of ideology goes up to 40.9 percent and the personality of the leader just 12 percent, while for the older age group the percentages are 19.9 percent and 26.5 percent respectively.

A second observation is that age groups are not interrelated: the 35-44 and 45-54 age groups, where differences in the influence of criteria fluctuate around 3 percent,



TABLE 3

	(2)	(3)	(4)	(5)	(1)	(6)	(7)	(8)
	ΣΥΝΤΗΡΗ- ΤΙΚΟΙ	ΦΙΛΕΛΕΥ- ΘΕΡΟΙ	ΣΟΣΙΑΛΙ- ΣΤΕΣ	ΣΟΣΙΑΛ. ΜΑΡΞΙΣΤΕΣ	ΜΑΡΞΙ- ΣΤΕΣ	ΤΙΠΟ- ΤΑ	ΔΕΝ ΑΠΑΝΤΩ	
(9) ΠΡΟΓΡΑΜΜΑ	21,1%	38,3%	41,9%	32,3%	26,8%	34,5%	41,1%	
(10) ΙΔΕΟΛΟΓΙΑ	20,3%	23,9%	32,4%	49,7%	61,3%	13,0%	16,4%	
(11) ΑΡΧΗΓΟΣ	42,1%	24,9%	17,4%	9,3%	6,9%	30,5%	13,1%	
(12) ΟΙΚ. ΠΑΡΑΔ.	11,5%	8,4%	4,2%	0,8%	1,6%	12,3%	13,9%	
(13) ΆΛΛΟ	2,6%	1,2%	2,5%	5,2%	2,1%	0,6%	2,0%	
(14) ΔΕΝ ΑΠΑΝΤΩ	2,4%	3,1%	2,3%	2,8%	1,3%	9,5%	13,8%	

(15) Πηγή: Έρευνα MRB HELLAS, Μάρτιος 1985

TABLE 4

		18-24	25-34	35-45	45-54	55-64	65+
ΠΡΟΓΡΑΜΜΑ	(2)	34.1%	36.3%	38.2%	38.1%	34.5%	28.3%
ΙΔΕΟΛΟΓΙΑ	(3)	40.9%	33.0%	27.7%	23.2%	24.5%	19.9%
ΑΡΧΗΓΟΣ	(4)	12.0%	16.4%	21.6%	24.6%	27.8%	26.5%
ΟΙΚΟΓ. ΠΑΡΑΔΟΣΗ	(5)	7.4%	7.0%	5.0%	8.0%	7.5%	14.4%
ΆΛΛΟ	(6)	2.9%	3.4%	1.8%	1.6%	1.7%	1.8%
ΔΕΝ ΑΠΑΝΤΩ	(7)	3.8%	4.2%	5.3%	4.5%	4.3%	9.1%

Πηγή: Έρευνα MRB HELLAS, Μάρτιος 1985 (8)

TABLE 3

Key:

- |                        |   |
|------------------------|---|
| 1. Ideology and voting | 9. Programs                               |
| 2. Conservatives       | 10. Ideology                              |
| 3. Liberals            | 11. Leader                                |
| 4. Socialists          | 12. Family tradition                      |
| 5. Socialists-Marxists | 13. Other                                 |
| 6. Marxists            | 14. I do not answer                       |
| 7. Nothing             | 15. Source: MRB Hellas survey, March 1985 |
| 8. I do not answer     |   |

Table 4

Key:

- |                               |  |
|-------------------------------|--|
| 1. How the young and old vote | 7. I do not answer                       |
| 2. Program                    | 8. Source: MRB HELLAS survey, March 1985 |
| 3. Ideology                   |  |
| 4. Leader                     |  |
| 5. Family tradition           |  |
| 6. Other                      |  |

TABLE 5

ΠΟΙΟΣ ΜΠΟΡΕΙ ΝΑ ΑΝΤΙΜΕΤΩΠΙΣΕΙ ΚΑΛΥΤΕΡΑ ΤΑ ΠΡΟΒΛΗΜΑΤΑ (1985) (1)		
	(2) ΠΑΣΟΚ	Ν.Δ. (3)
(4) ΑΝΕΡΓΙΑ	33,8%	31,5%
(5) ΠΛΗΘΩΡΙΣΜΟΣ	36,5%	31,9%
(6) ΜΕΙΩΣΗ ΦΟΡΩΝ	35,0%	35,5%
(7) ΥΓΕΙΑ	44,2%	30,3%
(8) ΛΕΙΤΟΥΡΓΙΑ ΔΗΜΟΚΡΑΤΙΑΣ	41,4%	33,3%
(9) ΕΞΩΤΕΡΙΚΗ ΠΟΛΙΤΙΚΗ	40,2%	32,7%
(10) Πηγή: περιοδικό «Επίκεντρα», Μάιος - Ιούνιος 1985		

Key:

1. Who can better confront problems (1985)
2. PASOK
3. ND
4. Unemployment
5. Inflation
6. Tax reduction
7. Health
8. Functioning of democracy
9. Foreign policy
10. Source: Journal EPIKENDRA, May-June 1985

are relatively closer, while a comparison of the two extreme groups of the scale reveals the generation gap in all of its grandeur. It is also interesting that after the mid-point of the scale the ideology criterion goes down to third place, while the party leader moves up to second place. Finally, family political tradition shows up as significant and comparable to remaining criteria in the older age bracket, something that in other age groups merely fills in the table.

Less striking are the divergences in social and economic groupings. Here there are merely some fluctuations in the degree of the influence of criteria, without, however, their order on the scale being somewhat changed.

It appears, therefore, that the behavior of the electorate, on the basis of this distinction, is about the same. Stronger but not capable of upsetting this conclusion are the differences between the first and remaining groupings that, more or less, are interrelated. Greater differences appear as to the role of the program and leader, while the relative increased effect of family political tradition in the two extreme groupings of the scale is of interest.

**Political Positioning and Selection Criteria**

Of particular interest are the differences of the criteria in relation to the political group in which voters place

themselves, while greater differences, in fact, do appear and it is proven that our political positioning constitutes a determining factor for the sharpening of criteria that determine our choices.

Thus, the choice of conservatives is determined at about 55 percent by the leader's personality and family tradition. The choice of liberals and socialists is determined by the party program and ideology that together get 63 and 72 percent respectively. As for socialists-Marxists, at 50 percent by ideology, while for Marxists the influence of ideology reaches an impressive 61 percent.

The groupings more or less confirm the characteristic that most attribute to them. The ideological factor is determining for all those who place themselves beyond the socialists, while personality continues to have great importance for conservatives. Liberals and socialists, finally, appear to be more pragmatic and less ideological. The biggest differences as to the sharpness and extent of influence of the criteria are observed in the conservative and Marxist groupings, while close by are the socialist-Marxist, Marxist, liberal and socialist groupings. The weight the latter two groupings give to party programs is worthy of attention by all directly interested parties.

Worthy of attention are also the two last groupings in the table: those who declare nothing and those who do not

TABLE 6

ΚΡΙΤΗΡΙΑ ΠΟΥ ΕΠΙΔΡΟΥΝ ΣΤΗΝ ΕΠΙΛΟΓΗ ΕΝΟΣ ΚΟΜΜΑΤΟΣ  
ΚΑΤΑ ΚΟΙΝΩΝΙΚΟ - ΟΙΚΟΝΟΜΙΚΗ ΟΜΑΔΑ (1)

		A/B (2)	Γ1 (3)	Γ2 (4)	Δ/Ε (5)
ΠΡΟΓΡΑΜΜΑ	(6)	40,6%	30,8%	36,7%	34,7%
ΙΔΕΟΛΟΓΙΑ	(7)	29,0%	33,8%	29,2%	25,0%
ΑΡΧΗΓΟΣ	(8)	15,9%	22,8%	21,5%	21,3%
ΟΙΚΟΓ. ΠΑΡΑΔΟΣΗ	(9)	8,5%	5,4%	6,2%	10,8%
ΑΛΛΟ	(10)	1,8%	1,6%	2,2%	2,5%
ΔΕΝ ΑΠΑΝΤΩ	(11)	5,4%	5,6%	4,6%	5,7%

Πηγή: Έρευνα MRB HELLAS, Μάρτιος 1985 (12)

Key:

1. Criteria that influence the selection of a given party, according to social-economic groupings
2. A/B
3. C1
4. C2
5. D/E
6. Program
7. Ideology
8. Leader
9. Family tradition
10. Other
11. I do not answer
12. Source: MRB HELLAS survey, March 1985

give an answer. This is so because a significant portion of those who belong to these two categories make up the undecided element group that not only causes problems for the electoral party staffs but it is the group that has provided victory in the elections of the past few years. The behavior of these two groups has many similarities and one basic difference. The similarities concern the big influence of programs, the very small influence of ideology and the significant influence of family political tradition in the choices of the two groups. The difference is in the completely different and opposite influence of the leader's personality: 30.5 percent for those who declare nothing and just 13.1 percent for those who do not give an answer.

However, how do the criteria that determine our choices actually operate in fact? What are those elements in the criteria that shape our electoral behavior?

**Programs and Credibility**

The variable that has a direct relationship with the criterion of the party program is that of governmental credibility. In other words, to what extent a given party,

through its program, is convincing enough that it can offer solutions to the problems of concern to public opinion. This is the critical element in the acceptance of political party proposals and program pronouncements that, as we have seen, influence our electoral behavior to a great extent.

**Significance of the Party Program**

Even if one were not to remember the election winner, it is easy to spot it by looking at the table. Indeed, the size of the difference with which one party dominated the other is evident. This table shows the strength that the criterion of party programs really has in our electoral choices and a very important reason for the dominance by PASOK in the last two elections. Namely, that its governmental credibility was (and continues to be, according to new polls which, however, constitute a subject of another discussion) significantly greater than that of ND's.

At the same time, it answers the much discussed issue of the influence of the pocket in our choices. In fact, economic problems are considered as the most important of all and with this meaning they play, logically also,

a role in our electoral behavior. They do not constitute, however, the sole factor that decides on the electoral result. If this were so, in 1985 the two parties would have been very close in the long run and, as it appears in the table, the difference in their governmental credibility in purely economic problems was minimal. So, economic problems play a role proportionate to the significance public opinion attributes to them each time and always within the context of the more general governmental credibility of the parties.

#### **Ideological Choices and Electoral Behavior**

The relationship between the ideological criterion and the "I believe" of the Greek people is, of course, a direct one. The most impressive factor in the 1985 elections was PASOK's formidable ability to get percentages from all ideological groupings. Thus, besides the natural preference of the socialists, it got the overwhelming majority of socialist-Marxists, while it extracted sizable percentages from the liberals (12.9 percent), Marxists (5.2 percent) and even from conservatives (2.8 percent). This has to do with a capability that was much greater than that of ND's—that succeeded in getting 4.6 percent of the socialists, that is about one-third of what PASOK got from the liberals, and, of course, this weighed heavily in the electoral results.

These statistics, however, also reveal something else: the given preference of the major ideological groups in some parties. Thus, conservatives choose ND, socialists PASOK and Marxists the KKE. This is something that means that for these groups the criteria that have been referred to up to now are relative because it is evident that for conservatives ND's program will always be better or for socialists PASOK's leader always more capable. Therefore, where the criteria have real significance are in those groups that do not show any given preference: liberals, in a small but critical percentage, socialist-Marxists and mainly the apolitical (nothing), are the followers who to a great extent are led to make their choices by criteria of choice and they decide the electoral result.

#### **Pre-Electoral Campaign and Electoral Behavior**

Finally, also of interest is the attempt to find the extent pre-electoral campaigns influence or even change our electoral behavior.

According to poll statistics, 23 percent of the electorate attends demonstrations of parties it does not support, while 73.7 percent look at television programs showing representatives of parties it does not support! The percentage of voters that revises their opinions on the basis of arguments by speakers comes to 15 percent and represents about 50 percent of undecided voters.

These statistics clearly indicate the rather insipid nature of the open pre-electoral demonstrations and the tremendous predominance of television that constitutes the most convenient means for political communication.

These statistics also confirm the conclusion that only some groups are open to the messages and proposals by the parties and function electorally-speaking under the influence of the selection criteria to which we referred

They were the ones who decided, decide and will decide the result of elections.

/5671

#### **Rising Athens Mayor Interviewed on Future Plans** *35210055c Athens I KATHIMERINI in Greek* *8 Jan 88 p 12*

[Article: "ND Number 1 With the Voters, Says Evert in Interview With 9.84"]

[Text] "What is certain today in my opinion and what we see from various polls is that New Democracy is ahead of PASOK, I believe." Athens Mayor M. Evert stressed this in an interview he gave the day before yesterday to the municipal radio station, "Athens 9.84." He added, however, that "there is of course a very large number of undecided votes so that it is impossible to draw definite conclusions."

Referring to the president of New Democracy and the problem that came up with the radio station, Evert pointed out that Mitsotakis "did not criticize the municipal station. On the contrary, personally, despite the fact that he once expressed some objections in connection with that ridiculous Polytechnic affair, which we blew up out of all proportion, I believe he has always spoken of the station in flattering terms and has come here whenever you asked him."

Explaining why many polls show him to be more popular than Mitsotakis, the mayor of Athens said: "That may be very natural. Because the same thing happens with Papandreou. Gennimatas is ahead of Papandreou in terms of popularity. Well, it is natural that a person who is not immediately involved in controversy should be more acceptable than somebody who is immediately involved in controversy. At any rate, it is a fact that I am very popular and I hope to remain so."

#### **Renewing Parties and People**

In regard to the renewal needed in this country's political life, Evert emphasized "that the first stage of renewal will start in PASOK. Most likely PASOK will lose the elections and we will enter the post-Papandreou period. I believe that the post-Papandreou period will produce new politicians. There are capable people in PASOK ready to take over the leadership there and that certainly will lead in an evolutionary manner to renewal all across the spectrum, in all the parties. This renewal is, I believe, needed by the Communists as well."

Responding to a question about which current PASOK and KKE officials he would prefer as opponents, Evert mentioned the names of G. Gennimatas, K. Laliotis, and G. Papandreou, and of Mimis Androulakis from the KKE, whom he considers worthy and realistic.

He then disagreed with the tactic sometimes followed by the opposition of setting a date for elections, because "every time that creates a feeling of euphoria in party supporters and activates them but after 3-4 months have passed, disappointment sets in." He stressed, however, that ND is correct in calling for elections.

Asked whether he consults Karamanlis on personal and political matters, he said that "it is always valuable to consult Karamanlis. Because he has superb judgement, he has tremendous experience, he is a great teacher. And any politician fortunate enough to be in contact with him and who keeps his ears open will be the better for it."

Referring to political ambitions extending as far as the office of Prime Minister, Evert emphasized that he cannot foresee when he will become head of ND. "But what I would like to repeat is that I am not anxious, I am not in a hurry, I am taking cautious steps and at this moment I am dedicated to the task of being mayor of Athens, which in fact I consider a very fine task."

Finally, speaking of the task of the municipal radio stations, he stressed, inter alia, that "we must send the citizen a new message, the message of truth, of responsibility. And I believe that this radio station and the policy which I am implementing—and which Andrianopoulos is implementing in Piraeus, and which Kouvelas is implementing in part—reveal the new way ND will govern when it comes to power."

12593

## ITALY

**PSI's Craxi Discusses Reforms With MSI**  
35280082b Rome LA REPUBBLICA in Italian  
23 Dec 87 p 3

[Text] For the first time in 70 years since the day Benito Mussolini was expelled from the Socialist Party, the PSI leader met with the secretary of the MSI which claims its historical and ideological continuity with fascism. Actually, Craxi had already met with Almirante in 1983 when he constituted his government, but in that meeting he did not wear the cap of PSI secretary but that of appointed prime minister—in a more official than political capacity.

Yesterday's encounter concerning institutional reforms lasted one and one half hours and took place in the socialist headquarters of Montecitorio. On the one hand we had the new secretary of the MSI Gianfranco Fini, the House and Senate group leaders Pazzaglia and Filetti,

and the party's head of state issues Franchi. On the other hand we had with Craxi Vice Secretary Martelli, the chairmen of the House and Senate groups De Michelis and Fabbri, and the head of state issues Salvo Ando.

How did it go? "It was nothing dramatic," commented Craxi at the end of the meeting. Then he added, "We exchanged ideas with everyone, with all the forces present in the free Parliament, elected through free elections. We have just concluded a meeting with the MSI delegation which, on the one hand, has confirmed that it is pursuing a policy which it defines as an alternative to the system; but on the other hand, it is interested in modifications and corrections that can be made to improve the present system, be they limited and partial."

So, it wasn't just a chattering of voices, as Honorable La Malfa puts it, questioned the journalists? Craxi replied, "It was an in-depth, serious, responsible exchange of ideas that took place between all the political forces. I hope that some concrete results may come of it. Naturally, that remains to be seen." In reply to the last question ("Do you pose any preliminary conditions in regard to the MSI?"), Craxi did not answer but simply smiled at the reporters.

Shortly thereafter MSI Secretary Gianfranco Fini gave the Socialists credit for their consistency in considering "any anti-MSI preliminary position concerning institutional reforms impossible and politically foolish." Concerning the subject of the meeting, Fini said that "on certain issues, in particular, the need to diversify the functions of the two branches of Parliament, we seem to definitely sense a certain attitude in the PSI which encourages us to make headway. We also stressed to the Honorable Craxi our definite opposition to any modification of the electoral system which would impair the principle of proportionality and would tend to eliminate opposition."

The MSI's secretary added, "We confronted each other while obviously remaining set in our respective positions, but not without realizing that in the Socialist Party there is also an awareness of the fact that the role of parties and unions must be better defined. In any event, this meeting has clearly demonstrated the end of the so-called constitutional spectrum politics which was a propaganda invention of De Mita."

In the evening, Craxi ended his round of reform consultations by meeting the Radical delegation led by Giovanni Negri. The encounter, which was preceded by a heated discussion over the electoral reform called for by Craxi (exclusion from Parliament of those obtaining less than 5 percent), ended in a yuletide atmosphere. At the end Craxi said, "We had a very profitable and interesting meeting with the Radical members. Our opinions converge on many issues; on others we are frankly opposed." And Negri added, "We had a cordial and gentlemanly exchange of opinions with the Socialists."

13312/12913



## DENMARK

**Stevns Fort Plays Key Role in Guarding Baltic**  
*36130029d Copenhagen BERLINGSKE TIDENDE*  
*in Danish 9 Nov 87 p 9*

[Article by Nils Eric Boesgaard; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] The garrison at Stevns Fort keeps a lookout over the Baltic Sea 24 hours a day, 365 days a year to see what the airplanes and ships of the Warsaw Pact countries are doing, but the men are also ready to help seamen and yachtsmen in distress.

Stevns Fort lies at the edge of Sjaelland with an outlook over the entire nearby Baltic Sea and keeps an eye on what the Warsaw Pact ships and planes are doing. There is not much to be seen on the surface. A few barracks, a radar tower and two gun towers are the only things that reveal the presence of a military installation.

The actual fort with its 2-3 kilometers of passages and rooms lies deep beneath the leased fields, covered by a 20-meter layer of chalk and flint. From here the Sound Naval District's radar control center and radio station monitor all the ship traffic around Sjaelland, Lolland, Falster and Funen around the clock, year in and year out, and keep track of Warsaw Pact activity from Murmansk to the Bay of Bothnia.

The entire Danish ocean area is divided up into three naval districts—the Sound, Kattegat and Bornholm Naval Districts, all of which come under the Navy Operative Command in Arhus. In addition to Stevns Fort, the Sound Naval District is responsible for Lange-land Fort, whose guns guard passage through the Great Belt, Dragor Fort in Amager, Borgsted Battery in Moen and 40-mm mobile guns that protect a number of ports.

"The naval district's most important task in peacetime is to monitor channels, assert sovereignty and lead sea rescue operations in their respective areas," said the chief of the Sound Naval District, Commander Poul Garde.

"Approximately 100,000 ships sail through Danish waters annually and half of them belong to Warsaw Pact countries. Sea traffic is supervised partly from naval ships and other state-owned ships and partly from naval lookout posts and civilian coastal observation stations. In a crisis or a war these will be supplemented with lookout posts manned by the Naval Home Guard."

### Warsaw Pact Ships With Engine Trouble

"One of the problems that occurs frequently is that foreign ships claiming to have engine trouble drop anchor in Danish waters, usually close to military installations or exercises.

"In cases of this kind we first radio to ask if the ship wants assistance. If it is an East bloc vessel this is almost never the case and since this means that the problem must be so minor that the ship can take care of it alone, they are told to leave within a few hours.

"We usually send a patrol boat or a Navy cutter to the scene to make sure they do.

"A complaint is always lodged with the embassy of the country involved when this kind of violation occurs, otherwise there is a risk that they might claim this as a precedent.

"The naval districts also work with customs agents and port authorities to keep a close eye on foreign pleasure sailors. If they come from countries from which a visa would normally be required, Poland or East Germany, for example, they must apply for a visa and docking permit in advance. If they have not done so they are turned away just as they would be at a border post on land. It is partly because of this kind of task that the captains of Danish military ships have police authority," said Commander Garde.

"Coordinating rescue actions is a large part of the everyday work of the Sound Naval District. In this connection we have Navy ships, Air Force helicopters and airplanes and the Naval Home Guard's cutters at our disposal. The Home Guard took part in 50-60 actions last year. It is amazing how fast they are. It seldom takes more than half an hour from the time we sound the alarm before the cutters leave port."

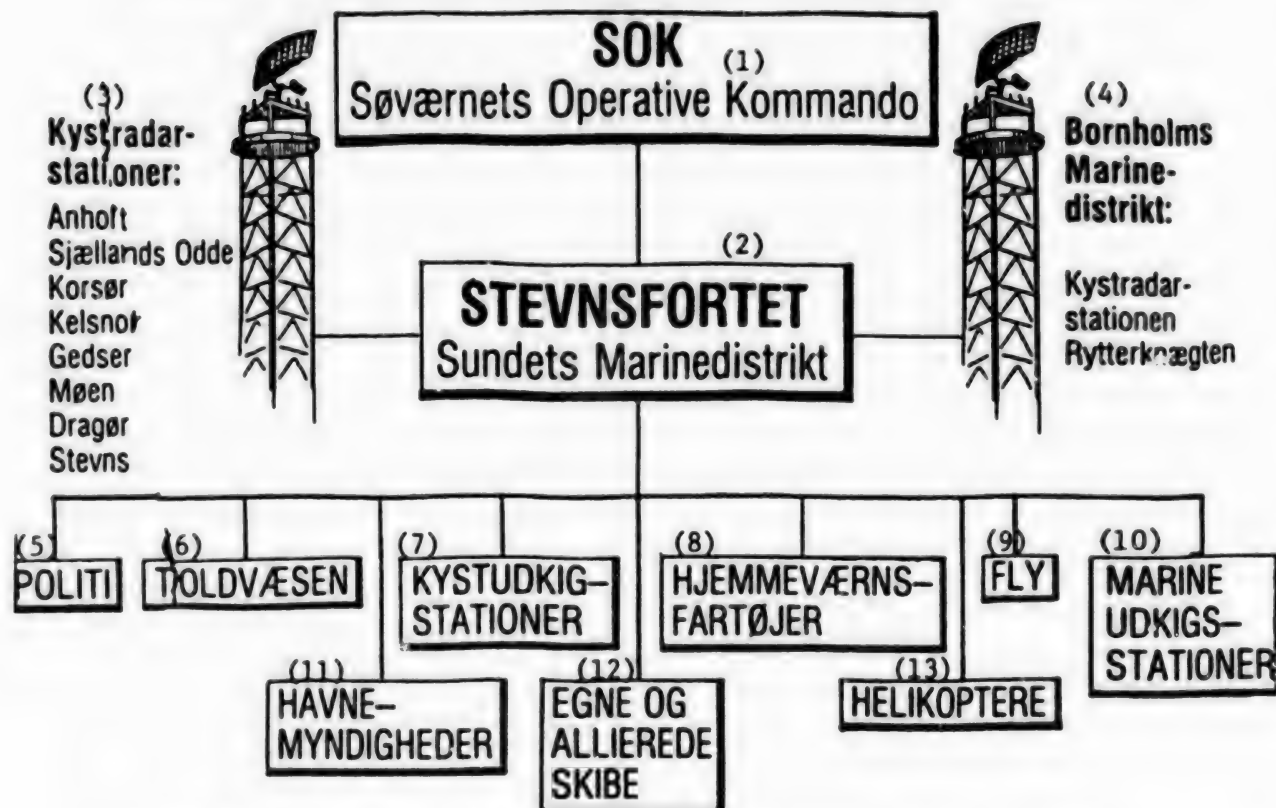
Last year the Sound Naval District led 108 local sea rescue actions. A large part of them were the result of observations of red distress rockets. They often turned out to be false alarms.

But Stevns Fort is not just an administration center and observation post. It can also strike back if it has to. Two concealed armored turrets, each with two long 150-mm guns, point out over the water. The guns were originally reserve guns for the German battleship "Gneisenau" and were standing in Vestvolden on Fano at the end of World War II.

"They were manufactured in the mid-1930's, but they are still good enough," Poul Garde said. "They are operated manually and they are somewhat slow. But at the same time they are not affected by electronic jamming. They are especially good for guarding minefields that would make it difficult for an enemy to invade southern Sjaelland. It would be wasteful to use expensive missiles on enemy minesweepers trying to remove the mines. It is much cheaper and just as effective to fire a 150-mm shell at them."



# Stevnsfortet - Nøglen til Østersøen



Sundets Marinedistrikt indhenter sine oplysninger fra en række "underleverandører". De er: 25 politikredse, 9 tolddistrikter, 187 havnemyndigheder, 11 kystudkigsstationer, X antal skibe, fly og helikoptere samt 21 marinehjemmeværnsskuttere.

Some 20 meters beneath the undulating green fields of Stevns Cliff lies Stevns Fort. The soft chalk and flint strata protect it against all known types of weapons.

The Sound Naval District gets its information from a number of "subordinate suppliers." They include 25 police districts, nine customs districts, 187 port authorities, 11 coastal observation stations, x number of ships, airplanes and helicopters and 21 Naval Home Guard cutters.

Key:

1. Navy Operative Command 2. Stevns Fort, Sound Naval District 3. Coastal radar stations 4. Bornholm Naval District: Rytterknægten coastal radar station 5. Police 6. Customs service 7. Coastal observation stations 8. Home Guard craft 9. Airplanes 10. Navy observation stations 11. Port authorities 12. Danish and allied ships 13. Helicopters



(Left) The chief of the Sound Naval District, Commander Poul Garde with two of Stevns Fort's four 50-year-old cannons which are still quite effective.

(Right) The fort's passages extent for 2-3 kilometers under the cliff and many of the technicians use bicycles to get around quickly and easily.

06578

### Naval Home Guard Hopes for 12 New Cutters To Replace Old

36130029e Copenhagen BERLINGSKE TIDENDE  
in Danish 20 Nov 87 p 4

[Article by Nils Eric Boesgaard; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] It no longer pays to maintain the oldest vessels which date from 1922, according to the chief of the Home Guard, who has asked the defense minister for 120 million kroner for ships.

The Naval Home Guard wants 12 new cutters. The ships will cost 120 million kroner and will be built over a 6-year period. They will replace a number of very old cutters the oldest of which date back to 1922, according to the chief of the Home Guard.

The request for the new cutters is already on the defense minister's desk and the Home Guard leadership hopes that the approximately 18 million kroner per year can be provided as a supplementary appropriation, so the money does not have to come out of the defense budget, according to Major General Rud Gottlieb, chief of the Home Guard, and Captain C. K. Simonsen, Naval Home Guard inspector.

In a recent paper to the defense minister, the Defense Command said that a zero solution to the defense budget could mean abandoning plans for new cutters for the Naval Home Guard, among other things.

"This is the right time to order the ships. Shipyards lack orders and that makes it possible to get good bids," said chief engineer Torben Munk of the Navy Materiel Command.

Director P. Glente of the Association of Danish Shipyards, pointed out that around 60 percent of the purchase price represents wages and that sizable sums will be returned to the state in the form of taxes.

The Naval Home Guard and the Women's Naval Corps, with around 15,000 members, make up one of the smallest units in the Home Guard, which has a total force of 75,000 men and women. The other two branches, the Army Home Guard and the Air Home Guard, are often critical of the enormously large portion of the total budget of 435 million kroner "they grab for themselves." It is hard to understand why 10 percent of the forces should receive 90 percent of the funds.

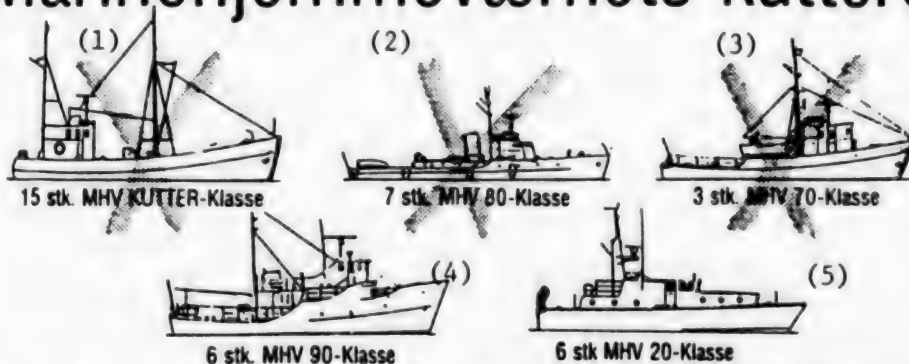
The reason is that the 37 cutters that are the standard bearers of the flotillas. None of the other Home Guard branches has such large and expensive materiel.

The Naval Home Guard's wartime assignment is to man their own ships and participate in them in channel surveillance and rescue operations. In addition they will man coastal observation stations and take part in landing control and harbor defense. In the last capacity they will provide people to man some of the Navy's ships and operate the 40-mm guns that are part of the harbor defenses, among other things.

In peacetime the Naval Home Guard renders extensive service to the civilian population. For example, the volunteer cutter crews are always ready to participate in sea rescue actions.

"Normally it takes only 20-30 minutes from the time an alarm is sounded until the cutters go to sea," said Capt Simonsen, "no matter what time of day it is, whether the crews are at work or lying in bed."

# Marinehjemmeværnets kuttere



## Hjemmeværnskutter af 800-klassen (6)

Besætning 12 mand M/K (7)

Hoveddimensioner: (8)

Længde... 9) 23.70 meter

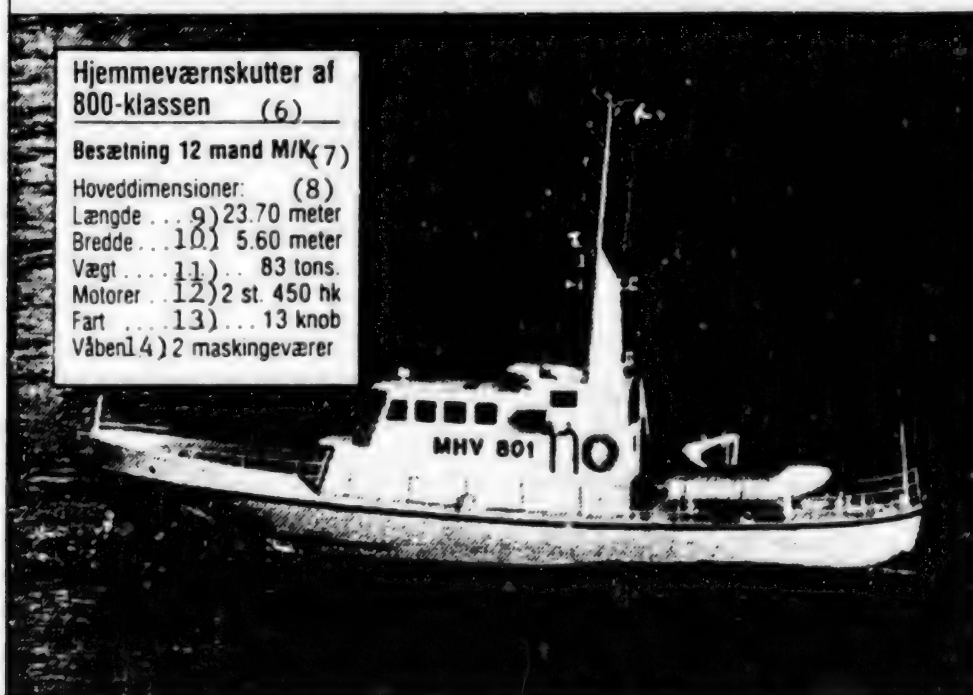
Bredde... 10) 5.60 meter

Vægt... 11) 83 tons

Motorer... 12) 2 st. 450 hk

Fart... 13) 13 knob

Våben 14) 2 maskingeværer



The top sketch shows the existing types of Home Guard cutters. The three that are crossed out are the ship classes that will be eliminated gradually as the new cutters are introduced. The picture of the new 800-class cutter is based on a remote-controlled model on a scale of 1:10 that was built for the designer firm of Dwinger Marine Consult for hydrodynamic test purposes.

Key:

1. 15 MHV Kutter-class ships 2. 7 MHV 80-class ships 3. 3 MHV 70-class ships 4. 6 MHV 90-class ships 5. 6 MHV 20-class ships 6. Home Guard 800-class cutters 7. Crew: 12 men/women 8. Main dimensions 9. Length 10. Width 11. Weight 12. Engines: 2 450-hp engines 13. Speed: 13 knots 14. Weapons: 2 machineguns

"The Naval Home Guard also participates in all the big sailing contests, such as the big Sjælland and Funen events. Last summer seven Naval Home Guard cutters participated," said Per Johansen of the Helsingør Amateur Sailing Club. The cutters function as command and communications centers. They send situation reports to

the press, relay information to participating boats, function as tugs and tow disabled vessels into port—and the only thing they ask in return is that the sponsors pay for their food and fuel.

06578

## FINLAND

### INF Treaty Presents New Challenge for Security Policymakers

36170039a Helsinki *HELSINGIN SANOMAT*  
in Finnish 27 Dec 87 p 6

[Article by Pentti Sadeniemi]

[Text] In December, editor Pentti Sadeniemi traveled to Oslo, Reykjavik, Ottawa, London, and Brussels, among other places, to acquaint himself with the strategic issues of the northern seas. The series of articles will continue.

The two superpowers and the military alliances they direct have solemnly concluded that by eliminating medium-range nuclear missiles history was made and opportunities were created for constantly easing tensions. Does detente also extend to the waters surrounding the North Pole and criss-crossed by pack ice and nuclear submarines? Maybe, but for the time being the answers are very uncertain.

The basic truth of the claim that the strategic significance of the northern seas has grown was established several years ago. It has forced the states in the region, including Finland, to strengthen their defenses in the Arctic Circle and north of it.

It has also led to political initiatives for regulating expansion. In October of last year, President Mauno Koivisto delivered a well-known speech in which he called for a letup in the arms race and so-called measures to increase trust in the northern seas.

During his Murmansk speech in October of this year, party leader Mikhail Gorbachev submitted a broad but very general package of initiatives. More specific proposals are awaited.

The so-called INF Treaty, which eliminates medium-range missiles, now feeds new debates. In early December, Norwegian Foreign Minister Thorvald Stoltenberg expressed his earnest wish in the Oslo parliament that the elimination of missiles would not accelerate a naval buildup.

"The agreement to eliminate land-based medium-range missiles isn't worth much," said Stoltenberg, "if it leads to an accelerated buildup elsewhere, for instance, additional cruise missiles deployed on ships or planes."

It is in fact too early to estimate the effect of the INF Treaty on the strategic situation of the northern seas. People at the general headquarters of the Western military alliance NATO in Brussels do not want to speculate about it. On the other hand, the Norwegian Defense Ministry in Oslo said early in December: "A short answer to that question is that the importance of Soviet bases and adjacent areas on the Kola Peninsula has not diminished."

Why have the power blocs' lines of forces become tenser in the northern seas? An obvious but not quite exhaustive answer to that is: because of the growth of the military base system on the Kola Peninsula. A very large part of the Soviet Union's strategic nuclear power and general naval power is focused there on the narrow coastal strip, which is ice-free all year round and permits war vessels to travel to the open sea.

In a crisis, the Soviet Union is interested in protecting its air and naval forces in that region and, correspondingly, its enemies are tempted to try to knock those forces out of the game.

### Finns' Questions

There are at least two questions important to Finns. First, how much does growth of the area's strategic significance increase the likelihood of major land-based operations in an imagined war? Second, how much does equipping naval vessels with cruise missiles increase the danger of missiles flying through Finnish airspace?

History reveals that major land-based operations do not customarily honor the neutrality of small countries. The cruise missile is in itself a weapon inimical to neutrality, much more clearly than an airplane flying at the same speed and altitude could be.

A belligerent nation that dispatches an airplane through a neutral but defended airspace forces its pilot to risk his life in battle against innocent outsiders. A cruise missile can be shot down, too, but it is then a mere dud—wasted metal and explosives—to its dispatcher. The threshold of neutrality infringement is lower.

Because of their slowness, cruise missiles equipped with nuclear warheads are hardly suitable as first-strike weapons. So it is appropriate to think that if they are ever launched, ballistic missiles were launched before them. Nuclear war will be a fait accompli, and all the peacetime talk about politics will have lost its meaning.

It is not a question of imagined war, however, but of what can be demanded, perhaps politically and militarily, of neutral countries because of cruise missiles.

Cruise missiles equipped with conventional explosives appear more and more on superpower ships. Because of the heavy explosive charge, their range is much shorter than that of cruise missiles equipped with nuclear warheads. It is unclear whether there is any military justification for guiding them, for example, through Finnish airspace.



### Defense Circle in Barents Sea

NATO naval sources say that the main task of the Soviet Union's northern fleet, which operates out of a Kola Peninsula base, seems to be protection of its own submarines, equipped with ballistic missiles, in the Barents Sea, and construction of a so-called bastion, or defense zone, against NATO submarines and planes.

Breaking into the Atlantic through the so-called BIUK space—the narrow passage NATO carefully guards between Greenland, Iceland, and the United Kingdom—is thought to be the second or third task in order of importance.

That order of importance may reflect either the Soviet Union's notion of a possible war's length and nature or the Soviet Union's realistic estimate of what its naval forces can do. According to current Western estimates, the Soviet navy's growth, still strong in the 1970s, seems to be coming, or to have come, to a halt. The emphasis on its defense tasks in the northern seas has been clearer than ever in the maneuvers of recent years, say some experts. That interpretation is not quite unanimous, however.

NATO military sources stress that if the Soviet Union believes a European war will be decided in a few days, then there is no need to fight in the Atlantic. Convoys that transport fresh supplies from the United States will not even have time to get started. If the war is long, the Soviet Union will very soon be forced to try to sever the transatlantic supply routes.

### Key Position in Norwegian Sea

People in Oslo say that the question of which tasks are important to the Soviet navy is not particularly significant to Norway. Whether the Soviet Union tries to break into the Atlantic or protect its "bastion" in the Barents Sea, it needs to dominate the Norwegian Sea and the airspace above it.

Soviet domination of the Norwegian Sea would make it expensive or impossible for NATO to transport to Norway the reinforcements on which the defense of northern Norway depends.

Located in northern Norway are the airfields from which NATO could threaten the Kola Peninsula bases in wartime. If the Soviet Union takes possession of those airfields in serviceable order, its airplanes' activity could be expanded far into the Atlantic Ocean and the North Sea. In that case, entirely different starting points would be created for the battle over Atlantic shipping routes.

Therefore, the Norwegian Sea is very important to both military alliances, and attempting major land-based operations in the Arctic areas of the Nordic countries is not considered impossible.

### Restrictions Not Wanted for Sea

The NATO navies do not attach great value to increasing trust at sea. To all, the open sea is an environment very different from the soil on which armies of more or less independent states operate, say naval sources.

The navies already monitor closely one another's movements and maneuvers. The U.S.-Soviet agreement to prevent incidents at sea functions and is fast becoming the practice of the military alliances. There are also unspoken gentleman's agreements: surface vessels do not "lock" their observation radar on war vessels of other states. That would be considered threatening conduct at sea, where the first one to pull the trigger has an enormous advantage.

No one wants to hear anything about restricting spheres of operation. The Western alliance is reminded again and again that when party leader Gorbachev listed the seas intended for restrictions, he failed to mention the Barents Sea.

In this part of his speech, the party leader was thought to be aiming at his own navy's advantage, at justifying with an international agreement the bastion which protects ships carrying nuclear missiles. After all, Gorbachev also proposed restrictions on intercepting submarines.

The party leader's concern about the fate of the nuclear deterrent which the Soviet Union has placed in its submarines is not unnatural. The "naval strategy" published last year by the U.S. Navy says this and that about hunting submarines which transport nuclear weapons. We will return to this later.

12327/9738

### Poll on Defense Attitudes: More Support Armed Resistance

36170041 *HELSENGIN SANOMAT* in Finnish  
22 Jan 88 p 13

[Text] More Finns than ever before would be willing to resort to arms if the country were attacked. According to a new opinion poll conducted by the National Defense Information Service (MTS) 73 percent of the respondents thought that if Finland were to come under attack Finns should defend themselves by arms, even if the outcome seemed uncertain. A year earlier 62 percent were of this opinion in response to the same question, and in 1970 42 percent.

Armed resistance was opposed by one fifth of all respondents

Defense Minister Ole Norrback sees the improved standard of living, increased awareness of our fundamental rights and the ideological drift to the right as underlying causes of the development.

MTS had the annual poll taken during November - December of last year by the research firm Taloustutkimus. The respondents were 1,038 Finns over 15 years of age.

Of the respondents 90 percent thought that Finnish foreign policy was conducted well. The number of those satisfied has remained pretty much the same during the last 20 years.

More and more respondents however wished that Finland would take stronger stands in regard to international problems and events. 67 percent thought the current policy to be appropriate. Every fifth one of the respondents was now in favor of a more active foreign policy; two years ago they comprised 14 percent of the respondents.

Every third respondent wanted an increase in the defense budget; about half would retain the budget at its present level and every sixth would decrease the budget. The opinions have remained nearly the same for the last few years.

Men and those respondents on the political right were the most eager to increase the defense budget according to the study. The views of those supporting the large parties have come closer together and most opposition to increases was found among the Green party followers. About half of those interviewed were satisfied with the number of refugees allowed into the country. A good third would like Finland to accept more refugees and every fifth would restrict their numbers.

Forty four percent of respondents would like to see growth in development aid allocations; the comparable figure last year was 50 percent. Forty one percent would keep the allocations at their previous level and every eighth was in favor of decreasing the amount.

Conflict between the great powers within the next five years was seen less likely than before. Conflict was seen as possible by 14 percent of the respondents as compared to 20 percent last year.

About one third of the respondents believed in the likelihood of a serious nuclear accident, 14 percent in serious terrorist act in Finland, 23 percent in recession and 22 percent in the collapse of Finnish economic self sufficiency. Over half of the respondents believed in a large increase of acid rainfall.

#### Conflict Over Questions

The questions of the opinion poll were formulated in a research section headed by chief editor Jorma Henttila. Pertti Torstila, a permanent MTS expert from the foreign ministry, reacted negatively to two of the questions framed.

In one of the questions causing objections to be raised the views of the respondent were sought in regard to peace objectives of about twenty enumerated countries. The list enumerated, for example, South African whites and blacks and a number of states in crisis areas. The second question asked about possible changes in the willingness to strive for peace on part of the US and the USSR in recent times.

After hearing the expert MTS decided to shelve the questions.

Torstila denies that the foreign ministry acted as a censor. "The question concerns a planning commission set up by the cabinet which has the task of studying the defense policies and national defense as part of it" he said and notes that "these kinds of questions do not belong in its frame of reference."

MTS's new chairman, chief editor Kari Hokkanen, denied that the matter had caused conflict and reminded us that other question alternatives had also been voluntarily removed from the final form. Henttila labeled the action by the ministry "strong interference."

12989

#### Armed Forces Modernize Air Defense Artillery 3617003?c Helsinki HELSINGIN SANOMAT in Finnish 4 Dec 87 p 19

[Text] The armed forces are modernizing their 35-mm automatic Oerlikon anti-aircraft guns. The updated package from the Swiss firm Oerlikon-Buhle contains, among other things, a new sight-and-calculator system, an automatic loading device, and a new power device. The purchase includes—in addition to modernization—training equipment, instruments for testing and maintenance, and spare parts. The modernized weapons will first be used for training in early 1989. Finland bought automatic Oerlikon anti-aircraft batteries in the early 1960s. In the battery's automatic section, there are two 35-mm double-barreled anti-aircraft cannons, in addition to the Super-Fledermaus fire-control device. That weapons system no longer satisfies current demands.

12327/9604

#### Armed Forces' Personnel Shortage Most Serious in North 36170046b Helsinki HELSINGIN SANOMAT in Finnish 30 Jan 88 p 18

[Text] Oulu—The defense forces are concentrating their troops and reserve training as an antidote to personnel shortage. The entire manpower shortage of the defense forces is about 3,000 workers, of which missing recruits amount to about 2,500; directing officers and officers both add 200 more needed.



"Of the shortage about one-third is in northern Finland. The shortage is so great that numerous measures have been sought to remedy it. For example, civilians have been hired with employment funds and by this means military personnel have been freed for training," says the commander of the North Finland's military district, lieutenant general Martti Alatalo.

The anti-aircraft battalion of Oulu will be moved to Rovaniemi's Someroharju. It will be combined with the Rovaniemi anti-aircraft battalion to form a new regiment, a Lapland anti-aircraft regiment.

In conjunction with the reorganization 40 jobs are expected to be transferred to Rovaniemi. The transfer is expected to apply primarily to military personnel. The defense forces have quarters at Rovaniemi for the personnel to be transferred. Clarification of other social questions associated with the transfer continue.

A new unit, the Signal Battalion of North Finland, will also be formed from the signal company and the motor transport company now in Oulu. It will be housed at the Oulu barracks, in quarters vacated by the anti-aircraft battalion.

After the reorganization Oulu and Rovaniemi will be equally large garrison cities as the number of recruits at the Rovaniemi garrison will increase by 150-200. About 1,000 recruits will serve at both cities.

The signal battalion of North Finland will concentrate signal school trainees from all over the country, for example from Kajaani, Turku and Valkeala.

The personnel resources freed by the reorganization will be directed at the improvement of recruit and reserve training, as well as for training them in the application of new missile equipment. Oulu will get about 20-30 new positions from other localities.

#### **Organization of Uusimaa Brigade Developed**

The Ministry of Defense has also made a decision to modify the organization of the Uusimaa Brigade beginning from September of this year. The change is part of the major reorganization in the defense forces due primarily to shortage of personnel.

"By combining the regiments of South Finland we can free personnel from administrative and maintenance functions for training tasks," says Major Harri Vilku from Organization Section of the General Headquarters.

The reorganization is primarily administrative consisting of changes improving the efficiency of organization. The new organization will not be outwardly very different from the present one, but it will make possible a more appropriate use of the personnel. The reorganization will necessitate some reshuffling of personnel.

The field artillery battery will remain in the brigade organization, so that the possibility of the Swedish speaking recruits to receive field artillery instruction in their mother tongue will remain as it was.

In conjunction with the reorganization the names of the brigade battalion and battery will also be changed.

The battalion will be called the Jaeger Battalion of Vaasa, which is the traditional regimental unit of the present Uusimaa brigade. The name of the battery will be changed to Battery of Raasepori.

12989

#### **Funds Shortage Causes Scaling Down of Biannual Lapland Exercise**

36170046 Helsinki *HELSINGIN SANOMAT* in Finnish  
28 Jan 88 p 9

[Text] The major war exercises organized by the defense forces in Lapland have had to be restricted due to shortage of funds. Originally over 15,000 men were supposed to participate in the Tuisku-88 exercise, but at the present outlook only 13,000 men and 2,100 vehicles will be trekking toward Central Lapland.

"The shortage is in the transportation allocation. Because of this some South Finnish troops and vehicles have had to be dropped from the exercises" says Lieutenant General Martti Alatalo, commander of the military area of North Finland.

In addition to the northern Finnish troops individuals from other military areas, the air force, and border patrol will take part in the exercises scheduled for April 7-16.

According to Alatalo the greatest number, or about 9,000 of those participating in the exercises come from North Finland and of them three quarters are recruits.

The major war exercise of the defense forces is organized for every other year. A record number of men participating in exercises was reached in 1963 when over 20,000 men from the Turku province took part in an exercise organized in Lapland.

#### **Postponement Applications Increase in Northern Finland**

According to the chief of the Oulu military district, lieutenant colonel Reijo Sallinen, those applying for postponements are not a problem for the success of Tuisku-88 exercises, although a large number of postponement applications has already piled up on the table of the area office.

"There are a lot of small enterprises in the North. In addition these enterprises function with as small a staff as possible, so that it is difficult to replace someone

leaving for the exercises. We take these matters into consideration also, although according to law it is not a valid reason for those staying away from the exercises," says Sallinen.

Applications for postponement from participation in the exercises are clearly made more often in northern Finland than the average in rest of the country. In the Oulu military district about 4,000 reservists participated in the exercises last year.

Postponement was sought by 25 percent of those called and was granted to 19 percent. Comparable figures for the entire country were 17 and 14 percent respectively, says Sallinen.

"Men from northern Finland participate in the exercises more often than from the men from southern Finland. The people, however, should understand the importance of the exercises, for the reserve troops must be gathered together quickly when the situation demands" remarks Alatalo.

12989

#### **Paper Criticizes Official Stance on FRG Troops in Norway**

36170039b Helsinki *HELSINGIN SANOMAT*  
in Finnish 28 Dec 87 p 2

[Editorial: "Norway and German Troops"]

[Text] Norway does not allow nuclear weapons or foreign troops on its soil in peacetime. In order to make sure it receives help from America and other NATO countries as fast as possible in a crisis, Norway has considered it important that special units of the allied countries be named and trained for that task. However, the Norwegians have not wanted the combat units of one country, West Germany, on their soil. The years of Hitler's occupation are still too painful a memory for most Norwegians.

Canada's decision to withdraw its brigade from Norway has nevertheless increased pressure to change the negative attitude toward West German soldiers. NATO has not yet made its own proposal to Norway on this issue but, to our knowledge, the plan is to incorporate West German troops into the rapid deployment force which replaces the Canadian unit. Just a few months ago, Defense Minister Johan Jorgen Holst reacted somewhat morosely to such a plan.

Last week Prime Minister Gro Harlem Brundtland seemed to be laying the groundwork for a possible revision of the government's traditional stance. Brundtland thinks it is natural, many decades after the war ended, to normalize historical relations gradually. That is why the arrival of German soldiers in Norway should not be ruled out.

President Kekkonen is said to have once expressed his concern to Norway about the possible coming of Germans and the historical connections of the text of the Cooperation, Friendship, and Mutual Assistance Treaty. The current president is supposed to have given Finnish diplomats orders to carefully refuse to discuss the issue. Wouldn't it have been simpler to say that the entire matter is none of Finland's business?

12327/9738

#### **Defense Minister Sees Need To Liberalize Arms Export Laws**

##### **Would Aid Domestic Industry**

36500063 Helsinki *HUFVUDSTADSBLADET* in  
Swedish 8 Jan 88 p 3

[Text] Finland's arms export regulations, which date from 1938, are obsolete and should be completely revised. That is the view of a committee that has studied the question. The committee, headed by General Aimo Pajunen, head of section in the Ministry of Defense, feels that more detailed rules governing arms exports should be written into the law.

The committee is willing to increase Finland's arms exports in order to make the domestic arms industry profitable. Defense Minister Norrback (Swedish People's Party) agrees.

But exports and transit shipments of war materiel should be allowed only with special authorization. The committee says that license transfers to other countries should also be subject to special authorization.

Current legislation contains no regulations concerning authorization procedures. According to the committee, export permits should be issued by the Ministry of Defense, whereas until now they have generally been handled by the cabinet.

According to the minister of defense, Finland should increase its level of self-sufficiency in the area of defense materiel production. On Thursday he pointed out that the defense materiel industry's profitability is poor. Its profitability could be improved by increasing exports, but in that case, clear rules of the game and a careful selection of trading partners would be a basic precondition.

In Norrback's view, Finnish exports of defense materiel have not caused any problems. Nor does he believe that increased exports would entail any risks for Finland.

Norrback emphasizes that no decisions have been made. First he wants to hear the political reaction to the idea of letting the Ministry of Defense handle the licensing procedure, "since that is a sensitive issue."

The minister of defense feels that it would be preferable for Finland to conduct its arms trade only with governments. Weapons should not be exported to countries that are at war and "preferably not" to developing countries. He feels that to prevent weapons from getting into the wrong hands, we should consider requiring final user certificates from all purchasers except our neighboring countries.

The most recent statistics on arms exports date from 1986, when Finland sold 60 million markkas worth of arms. The neutral countries accounted for 18 million markkas of that, while the NATO countries accounted for 28 million markkas and the developing countries 6 million markkas. But weapons and other technical war materiel accounted for only half of those exports. The other half consisted of gunpowder.

#### **Paper Comments on Plan**

36500063 Helsinki HUFVUDSTADSBLADET in Swedish 9 Jan 88 p 2

[Editorial by Rafael Paro: "Finland's Arms Exports"; first paragraph is HUFVUDSTADSBLADET introduction]

[Text] Responsibility for decisions on arms exports must be unambiguous, and the rules of the game must be clear, writes Rafael Paro.

A year ago, the Ministry of Defense appointed a task force to consider whether the existing rules and laws governing exports of war materiel, arms, and ammunition should be revised.

That group, under the leadership of Aimo Pajunen, head of section in the Ministry of Defense, has now submitted its report to Defense Minister Ole Norrback.

The question of arms exports has always been touchy, and it still is today. In light of the Bofors scandal in Sweden and the reports on where Finnish gunpowder has gone, this may be the appropriate time for a debate on how we want to handle arms exports.

There is a body of opinion, chiefly on the political left, which has traditionally maintained that Finnish exports of military weapons should be banned. On that issue, there is a clear dividing line running straight through the Social Democratic Party.

There is also a pacifist body of opinion that opposes exports. By conviction, that body of opinion repudiates all forms of the arms trade, and on those grounds, it deserves respect.

But if one is going to temper one's zeal for peace to the extent, for example, of asserting that there is such a thing as justified war against impoverishment and oppression, one is forced to realize that an arms trade with the world cannot be ruled out.

If we accept the idea that our country should have a military force, the question of its armament becomes essential. Behind the debate over exports lies the important question of our degree of self-sufficiency. In our case at present, it amounts to barely 40 percent. In Sweden, it is just over 90 percent. Roughly speaking, we manufacture one-third ourselves and import one-third from the East and one-third from the West.

A higher level of self-sufficiency would also increase our security in a possible crisis situation, when the supply on international markets might be practically zero. A higher level of self-sufficiency also strengthens our neutrality policy.

If we want to increase our level of self-sufficiency, doing so will be extremely expensive if we cannot lengthen the relatively short production runs by means of exports.

Switzerland and Sweden are the largest arms exporters among the neutral countries. Sweden's exports have been from 25 to 30 times greater than Finland's. The most recent Finnish statistics date from 1986, when 60 million markkas worth of arms were sold.

Defense Minister Ole Norrback has pointed out that the defense materiel industry's profitability is poor. A new task force headed by EKA chief Eero Rantalas is to come up with proposals for increasing the percentage of domestic materiel. It will also be faced with questions involving profitability.

Experience in Sweden and a large number of other countries shows that arms exports are a sensitive domain. Clear rules of the game and a careful selection of one's trading partners are a basic precondition.

As the minister of defense has pointed out, neither the state nor our business community can afford to fumble on these issues. Current legislation, which is obsolete, contains no regulations governing licensing procedures. According to the committee, export permits should be issued by the Ministry of Defense, whereas until now they have generally been handled by the cabinet. In making its decisions, the Ministry of Defense would be assisted by a special board consisting of representatives of various ministries. In practice, however, the cabinet would still have the final word.

The new system may have its advantages, but it also has its drawbacks. In view of what has been learned from scandal-enveloped "arms deals" around the world, it is important to emphasize that responsibility for the decisions that are made must be unambiguous.

### **Conservatives Ready First Goals Statement as Ruling Party**

36170038a Helsinki HELSINGIN SANOMAT  
in Finnish 23 Dec 87 p 15

[Article by Unto Hamalainen]

[Text] The Conservative Party will adopt its first platform as a government party in February. Over 40 pages long, the extensive platform has already been screened by the party leadership and the party administration. The platform will receive final approval from the district representatives assembled in the party council.

At the beginning of the platform it is stated that they intend to carry out the platform during the current and the next election terms. Since the different points of the platform have not been listed in order of their urgency, questions arising in government policy cannot be determined from the platform. They will not go ahead and write a new platform until the mid-1990's.

The world of Conservative hopes does not differ much from the paradises the other parties construct on paper. In the Conservative Party's estimation too, the chief responsibility of the state and the municipalities is to make people happy. Radical conservative positions are avoided in the platform. For example, a favorite topic of discussion, the privatization of public services, is dismissed with brief mention. Ideological differences with the SDP [Social Democratic Party] platform adopted last summer are to be found in its labor reforms and regulations governing business activities.

Drafting of the platform was begun a couple of years ago under the direction of Conservative Party vice chairman Jouni J. Sarkijarvi. The Sarkijarvi committee came up with its first version as early as just before the parliamentary elections, but party chairman Ilkka Suominen rejected the Sarkijarvi proposal.

The party's rise to the status of a government party set in motion the original platform proposal. When it was in the opposition, those who were tinkering with the platform had even written a new parliamentary principle into their proposal. Government parties would have been given a freer hand in parliament. The government would have had to specify beforehand on which issues government party representatives would be required to support government proposals.

"Representing the executive branch, the Council of State's position has come to be overly dominant in the wielding of power. In the name of collaboration in the government, government party members of Parliament have been denied the power to independently deliberate on issues to be discussed in Parliament. Greater emphasis must in future be laid on appointed political representatives' personal decision-making power and moral responsibility," they said in the platform proposal made when they were in the opposition.

The relaxation of parliamentary delegation discipline is no longer included in the government party platform proposal. That passage has been entirely omitted from the latest proposal.

On the contrary, a position favoring reform of the basic safeguards has been retained in the platform proposal. The Conservative Party has gotten caught in an embarrassing situation—most recently in the debate on interpellation raised by the opposition—with regard to its stand on the basic safeguards, which are included in all Conservative Party platforms, but not in the government platform. The KEPU [Center Party] and the Communists have hauled the Conservative Party over the coals for omitting revision of the basic safeguards.

In its platform proposal the Conservative Party still demands statutory regulation of basic subsistence. On the basis of the new law, the current systems will gradually be combined and the gaps in them filled.

Just before the parliamentary elections the Conservative Party was still campaigning vigorously on the issue of family policy with different sorts of tax reductions. As election bait, there was, among others, child-care attendants' right to a wage-tax reduction. Conforming to the government platform, in the new platform it is asserted that "equalization of the distribution of family expenses must be intensified and simplified on the basis of the child subsidy system."

In the platform families with children are otherwise promised more manna. Nearly all the other points in the platform are accompanied by the reservation that they can only be implemented if the nation's financial situation permits. As for family policy, they promise that "the national economy may create obstacles" to increasing benefits for families with children.

### **Nuclear Power Retained**

A favorable stand on new nuclear power plants is also retained in the Conservative Party platform. In the wake of the Chernobyl explosion they are, however, prepared to postpone the construction of new power plants to a more distant future.

"To determine the risks connected with nuclear power and to improve nuclear technology, we must set about making a decision on the construction of additional nuclear power plants in the mid-1990's at the earliest," they say in the proposal.

Differences in terms of principles, primarily with the Social Democrats, come to light with regard to the platform's labor reform proposals and economic policy figures. In the Conservative Party platform broad, loosely-used turns of phrase on issues of current interest like the extension of democracy within firms, job protection



in layoff situations or the taxing of businesses are used. Emphasis is laid chiefly on voluntary experimenting and company-internal solutions, whereas the SDP is demanding new laws.

However, the SDP and the Conservative Party are of one mind as concerns economic policy. The state must have the right to regulate people's use of money if the interests of the nation require it. From the standpoint of the national economy as a whole, it is important for each citizen's income to be applied to the right kind of consumption, investments and savings," they say in the Conservative Party platform.

11466/12913

## ITALY

**General Di Martino on Future Prospects of Army**  
35280097a Rome INTERARMA NEWS in Italian  
2 Dec 87 pp 664-669

[Excerpts] The situation of the Army, today, at the end of 1987, its overall problems relating to personnel, organization, materials supply, infrastructure base, training and immediate prospects were the topic of the speech by Army Chief of Staff Gen. Ciriaco De Martino to the students of the Military Academy at Modena on the occasion of the opening of the school year. INTERARMA reproduces this realistic picture of the ground forces (subheads provided by the editor).

### Officers: Less "Disappointing" Careers

"Another topic of particular interest," said the Army chief of staff, "is that of recruiting, and the status and advancement of officers. After a brief period of interforces study and consultation, a new draft personnel law was prepared aimed at restoring order in the entire sector, guaranteeing, among other things, to the personnel in general less "disappointing" careers (out of 100 students at the Academy—19 colonels and five generals; out of 100 lieutenant colonels—2 Army corps generals; in the other administrations between 22 and 74 percent).

"In regard to noncommissioned officers, another indispensable component of the military instrument, it is our intention to promote every possible improvement of the existing personnel law. These and numerous other measures are aimed at improving the motivation of the cadres, reassuring them that the country and the leadership group do not undervalue the commitment and sacrifices of the men in uniform. A motivation that obviously is, and should be, separate from and above that of pay, while a certain correlation between the two factors cannot be ignored."

### Regulations—Major Units

"In regard to the tasks and introduction of new resources, the reorganization of the Army envisages revision of the regulating structures to make the instrument more balanced and maneuverable, and to facilitate possible long-range operations anywhere in the national territory. It was thus decided to divide the 24 brigades considered indispensable in peace-time as follows: 7 mechanized brigades, 5 armored brigades; 5 Alpine brigades; 6 tank brigades; and 1 paratroop brigade. The main innovations of a common nature are as follows: introduction of reconnaissance units; adoption of self-defense anti-armor and anti-air weapons; improvement of the NBC sector and battlefield surveillance; and updating the light battalions through introduction of new equipment and weapons systems. However, perhaps the innovation of greater interest is formation of the tank brigades, which will emerge from conversion of the four existing motorized brigades and the mechanized brigades 'Granatieri di Sardegna' and 'Pinerolo.'

"Adoption of the armored car with 105 mm cannon and the light armored car will give these major units the 'strategic' mobility called for by the interforce missions for defense of the territory and the rear areas. Finally, a mention of the three mobilization brigades to be formed and based at the Alpine Military School ('Piemonte' brigade), the Infantry and Cavalry School ('Lazio' brigade), and the Armored Forces School ('Puglie' brigade)."

### Conscription and Health

"Continuing this examination of the situation, two other sectors, which are strongly interactive and of broad social importance, have a priority position in the reorganization programs underway: the sector of conscription, recruiting and mobilization, and that of rationalizing the existing structures. In regard to these, full recourse to automatic data processing and improvement of health checks will make clearer and facilitate the relationship of the citizen with the military environment.

"Experiments are underway with new procedures for automated management of the recruiting function at the regional military boards of Milan, Turin, Brescia, Perugia, Rome, Naples, Catanzaro and Palermo. Installation of the computer for the Trento military board is underway, and computers will subsequently be installed for the Bologna and Udine military boards. The acquisition procedure has been initiated for the computers for the Genoa and Potenza military boards, and will soon be initiated for the Ancona military board.

"Automation of the procedures for automated planning of the call-up group has been completed, and a complete reworking of the procedures for automating training of the call-up group is underway. These procedures will make it possible to vary as desired and within extremely

short periods any parameter of assignment (regionalization, profiles, various criteria, etc.). Automation of the mobilization procedures has been started.

"In regard to the health sector, the restructuring is based on separation of the medical-legal activities from those of recovery and cure, strengthening the specialized capabilities of certain hospitals, which will be raised to the level of polyclinics, and modernization of the health infrastructure and equipment.

"The program of automation of the military hospitals is in process of completion. In order for the health modernization programs to be successfully completed, it is essential to update the regulations in effect and, above all, to even out some shortages of medical and paramedical personnel. Solution of these problems is entrusted to the decree law on 'Principles for Reorganization of the Military Health Service,' which provides, among other things, for a large increase in personnel of medical officers (403) and health noncommissioned officers (1,200).

"In regard to training of paramedics, a School for Professional NCO Nurses will be established in Rome in September. The guiding objective: military health as the leading force in the national health service."

#### **Materiel Supply**

"In regard to equipment and materiel," General Di Martino continued, "a number of programs have been started and are developing concerning armament, mobility, and command and control. These programs undertake to overcome, over the next 5-year period, some of the greater present shortcomings of the armed forces. I will confine myself to mentioning some of the most important:

"MILES simulator: distribution has been completed of 27 units planned for the first phase of the program (18 units for individual combatant, 6 for armored and tracked equipment, and 3 spare). Completion of the program calls for acquisition of systems, from national production, in such quantity as to meet the needs identified at the brigade level.

Medium-range anti-armor 'Milan' system: the total requirement is 1,000 systems, of which 286 (one-third) have already been installed. Of the remaining 714 systems, being produced at OTO-Melara, 120 are close to delivery.

"Self-defense 'Apilas' antitank systems of French manufacture under testing: a batch of 500 systems has already been distributed to the FIR [not further identified]. It is also planned to try out two other systems: the German 'Panzerfaust' and the British LAW 80.

"MLRS: the arrival of the two systems bought directly in the United States is expected before the end of the current year, in anticipation of the installation of the European coproduction equipment (20).

"Multiple light FIROS rocket-launchers.

"'Skyguard-Aspide' defense systems with small 40/70 mm cannons.

"'Stinger' self-defense anti-air systems: the first 30 systems, from the United States, have already been delivered, 12 to the Taurinense Brigade, 12 to the Folgore Brigade, and 6 to the Friuli Brigade, amounting to 50 percent of the numbers planned for each of those general units. Delivery of the other 120 systems will follow shortly.

"The self-defense anti-air 'Mistral' is being studied.

"A second-generation national tank: requirement for 300 units. Delivery of the first four prototypes by next autumn. Planned supply in the period 1990-1994.

"Armored car: requirement for 450 units. Delivery of the first four prototypes by November 1987. Planned supply in the period 1990-1994 (first batch 250 vehicles).

"Light 4X4 armored vehicle: requirement for about 2,000. To be put in service in the 1989-1992 period.

"VCC-80: to be put in service during the 1991-1995 period (600 units).

"Wheeled equipment: distribution of the equipment planned for the first batch has been completed; the second batch of 300 VM90 (IVECO) will meet the needs of Fo.P.I. [not further identified], Southern Unit, a [not further identified] group.

"Anti-tank A.129 helicopter: in execution of the first phase of the program, the contract has been drawn up for obtaining the first 15 units. The second phase (45 helicopters) will be implemented in the period 1988-1990.

"Radios and radio links: about 100 radio links of new design will be installed to complete the field communications network. Distribution will begin of 5,000 RV 2/400 [not further identified], replacing the last CPRC 26, and 2,400 HF/BLU [not further identified] in place of the old ANGR/9 and SCR 193.

"CATRIN: a system capable of improving effectiveness of 'field communications,' 'battlefield surveillance' and 'control of airspace' (SORAO + SOATCC + SOTRIN). Development of the first complete system for an Army corps by 1992."



### Infrastructure

"The so-called 'infrastructural platform' of the Army is composed of 500 barracks, only 10 percent of which were constructed after 1945. Despite any possible maintenance care and improvements carried out subsequently, a good part of this inheritance," the Army chief of staff emphasized, "is no longer adequate for modern needs. In particular, as fully revealed in the past few months, 150 barracks must be regarded as inadequate. The answer to these serious problems is contained in the Botta decree law on reorganization of the military infrastructure, which calls for spending 2.5 trillion over a multi-year period to construct new barracks in an approach of decentralization and modernization. Also, some amendments were recently added to the decree law relating to service housing and home ownership for cadres (cooperatives, advance on severance pay, etc.)

"In the meanwhile, the program for new infrastructures is of particular importance to replace others than should be dropped on a priority basis (the acting defense minister had authorized construction of a first batch of 10 barracks to be followed by a second group of three). In this connection, the process of identifying locations to build the new infrastructure is underway.

"Also, the study to develop a model barracks has been completed, with the following requirements: capacity to accommodate not more than 1,000 soldiers: one barracks to a battalion, for 750-800 regular soldiers, 150 volunteers and 50-100 women soldiers; and that will enable the users to live and train in surroundings that also provide facilities for cultural and social aspects. Thus, the plan is configured in three main components: a protected module, including the lodging units for bachelor officers and NCO's, the volunteers, the women service, and the draftees; an open module, social and recreation, for the housing needs of the cadres with family and for the soldiers' free time, including sports structures and centers for cultural and recreation activity, whose management will be entrusted to civilians under the plan [as published, only two modules mentioned]. The approximate cost of each barracks, built on a ground area no less than 20 hectares, will be about 35 billion."

### Training

"The innovations of an organizational nature and the acquisition of new equipment and weapons systems will be fruitless if we are not able to have personnel who are prepared and adequately trained in use of the weapons and equipment. A step-up in training activity, with resort also, wherever possible and appropriate, to assistance of electronics and simulators, thus remains a priority objective. Nor could it be otherwise, for well-performed training is the guarantee for accomplishment of the institutional tasks, produces confidence, and is satisfying to all personnel. To this basic requirement is

added the imperative to constantly raise the preparation of the officers and NCO's, establishing familiarity with the new and an open attitude toward procedures that are increasingly rapid.

"However, turning to the more traditional training, that of the draftees with their weapons and equipment available, I have to again draw attention to the still serious shortage of ranges, especially for firing training with individual and unit weapons. To improve this situation, at least in the area of individual weapons firing, a program has been undertaken to construct 10 enclosed ranges by 1993: one already constructed at the Citta Militare of Cecchignola; two under construction at Montorio Veronese, Duca barracks, and Albenga, Piave barracks (work expected to be completed in the first quarter of 1988; two financed in 1988 at Bellinzago Novarese, Babini barracks, and Belluno, Piave barracks (with the implementation plans being prepared); five planned, one in each budget year (1989-1993) in the areas of Turbigo, Orcenico, Remenzacco, Ascoli Piceno and Persano. The fact remains that greater responsiveness of the regions to this problem of fundamental importance would be desirable.

"In order to fulfill its commitments to the country, the Army has to be able to train, though with full understanding of touristic and environmental needs, which undoubtedly deserve all our respect."

9920

### Defense Minister Notes Poor Morale, Increased Suicides in Military

35280097b Rome LA REPUBBLICA in Italian  
9 Feb 88 p 2

[Text] It was not a concoction by the papers, and not even the product of a campaign against the armed forces: it was the defense minister himself confirming the malaise in the barracks, a dissatisfaction derived from frustration and discontent and that for 2 years has been manifested in a disturbing record of suicides.

In yesterday's report to the Senate on the "State of Military Discipline," Zanoni revealed some impressive figures. Of the 208 Army soldiers (carabinieri excluded) who died in 1986, 24—more than 11 percent—took their own life. In the Navy, the percentage drops to 5 percent, with two suicides out of 40 deaths, but climbs again to 7 percent in the Air Force, and exceeds 10 percent among the carabinieri, who counted among their ranks 16 suicides out of 151 deaths.

This is a carnage that took more victims among the call-up personnel (18 recruits took their life) and that Zanone courageously did not try to minimize. The suicide phenomenon, we read in the speech, is regarded as "an extremely contagious behavior with a high imitative factor," that primarily affects subjects in an element defined as "adolescent" (between 15 and 25 years old) and "very weak psychologically." The future is not rosy:

The experts assure that at the national and world level the suicidal tendency will assume marked importance, even though for the present in Italy, and among the Western countries, the rate is more contained. Among the triggering causes, the speech does not fail to note the media; however, Zanone himself warns that "no preventive action should be ignored, especially in improvement of living conditions in the military structures."

The document is replete with signs of the necessity to "substantially improve the conditions of life" of Italy in uniform, and it draws a realistic profile of the military world. Zanone said that the armed forces constitute overall "a sound organism, reliable and substantially immune from morale declines. Nevertheless," the document continues, "there are areas of disturbance and dissatisfaction, which focus mainly on issues not yet completely resolved, from pay to a flattening of grades and responsibility." According to the defense minister, "the disappointing socio-economic situation of military personnel (and officers and NCO's in particular) alongside obligations and duties that do not exist for other elements of citizens, places the category in conditions of extreme difficulty, which," he added, "cannot be continued without repercussions, at least in terms of efficiency, throughout the institution."

This fact, the crisis in motivation that is afflicting the military, is also illustrated in the portion of the report that analyzes the more strictly disciplinary aspects of life in the barracks. While it describes the situation as "overall satisfactory" (the percentage of those punished is 0.01 percent of the total of more than 707,000 soldiers in service in the three branches, and little higher in the Carabinieri), the report emphasizes that the majority of the shortcomings that have brought youths in uniform before the military courts concern carrying out duties connected with observing formal aspects or rules on leaves and passes. From January 1985 to July 1986, the military judges issued 2,760 sentences, sentencing 940 for desertion, 728 as conscientious objectors, 236 for evading the call-up, and 199 for abandoning post or breaking regulation. Punishments for property crimes (thefts and others), which totaled 162, and those for crimes against the person, 111, were much fewer.

After statistically analyzing all the causes of death in the armed forces (car accidents rank highest, as in the rest of the youth population), Zanone's illustrated report at Palazzo Madama turned to the problems of representation of the category (the 1986 reform enabled also conscripts to join COCER) and the importance assigned by the armed forces to sport, an "essential and qualifying factor," explained Zanone, "in the training of the man and the soldier." The system of facilities available (composed, among other things, of new stadiums, 345 tennis courts, 164 covered gymnasiums, and 557 handball courts) enabled the athletes in uniform to win in 1986 22 gold medals, 19 silver, and 15 bronze in various sports: the successes of our national soldiers in basketball, skiing, fencing and field events have been very remarkable.

9920

## NORWAY

### INF Treaty Creates New Challenges for Security Policy

#### New Course for NATO

36390034b Oslo AFTENPOSTEN in Norwegian  
4 Jan 88 p 2

[Editorial: "NATO's New Course"; first paragraph is AFTENPOSTEN synopsis]

[Text] NATO needs a summit meeting in order to set the alliance's course at a time that is becoming full of challenges, and possibilities.

The time has still not been clarified, and it is not at all clear whether NATO's top leaders will get together before the USA and the Soviet Union again make a tryst with one another at the summit level in Moscow. But it is high time that the foremost political leaders in the alliance get together. NATO has not had a real summit meeting since the early summer of 1982. At that time the seas were running high in the alliance concerning whether medium-range nuclear missiles should or should not be deployed, because the Soviet Union had not accepted the challenge of negotiations so that this type of weapon could be removed from Europe.

There is little reason to repeat the debate from that time or in the six years that have passed. It was brought to a conclusion in Washington on 8 December. But there is every reason to look farther down the road, for the INF treaty concerning the destruction of all medium-range missiles will have an effect on NATO internally, as well as on East/West relations.

Although there has been no NATO summit meeting for almost 6 years, this of course does not mean that the alliance has been idle. Problems and topics of importance have been taken up and discussed both in the permanent organs and through regular meetings of ministers. But when conditions have now changed as much as they have through the INF treaty, it is necessary to have a thorough discussion at the summit level in order to decide the future course. The NATO foreign affairs ministers foresaw this when at their meeting in Reykjavik in June they gave the organization the assignment of explaining the consequences of a missile treaty, both for the alliance's policy and for its military doctrines and strength.

This explanatory work is now in full swing. The most different sides of the question are being taken up, discussed and evaluated by experts, military and civilian. But in the end, all explanations will have to be seen in a political context, and then it will be necessary to have a summit meeting. This is especially important because Europe ought to be still more actively involved in arms

control talks than the situation has been up to now. The consultation process between the USA and its European allies was irreproachable during the missile negotiations, it has been asserted. Without a doubt, although one and all got a shock during the Reykjavik summit meeting in 1986 when the USA and the Soviet Union almost left Europe out. But there is an element of passivity in consultation. And passivity is what is needed least of all now, when the challenges, and the possibilities, are almost standing in line in important East/West relations.

### **Problem of Cruise Missiles**

36390034b Oslo AFTENPOSTEN in Norwegian  
4 Jan 88 p 80

[Text] "When the INF treaty on medium-range missiles is to be followed up now, it is important that we do not accept any claims concerning the nuclear weapons that are to be removed," Defense Minister Johan Jorgen Holst stressed yesterday in an address at the Defense College. He made no secret of the fact that if the great powers deploy long-range missiles on surface vessels and submarines instead, it will be a particular problem for Norway.

Holst thought that it is difficult to see how claims for compensation can be justified for a treaty that, first, means the strengthening of security in Europe, and then entails the fact that the Soviet Union is removing many more weapons than we are in the West.

### **Important Victory**

The defense minister touched upon the controversy concerning the American medium-range missiles after NATO, through the double-track resolution in 1979, decided to deploy American missiles if the Soviet Union did not withdraw its SS-20 missiles. "The INF treaty is an important victory for the goals that were important to Norway when we supported the double-track resolution," Holst asserted. However, it was a difficult and unpleasant decision to make, and there was controversy concerning it.

### **History Now**

"There was also controversy concerning the balance in the follow-up of the resolution, and concerning the interplay between deployment and negotiations. This controversy is history now. There is reason to recall the fact that if the Soviet Union had not deployed the SS-20 missiles there would not have been any resolution concerning medium-range missiles on the Western side too," he stated.

The defense minister thought that there is no reason today to change NATO's basic defense strategy—the flexible response strategy. But the particular strength objectives must be assessed, adjusted and updated.

### **Problem for Norway**

In the wake of a treaty on medium-range missiles, there is a danger that the superpowers will place greater emphasis on the deployment of long-range cruise missiles on surface vessels and submarines—something that is a particular problem for Norway. The Soviet Union has ready for deployment a cruise missile, the SS-N-21, which resembles the American Tomahawk system.

"There are signs indicating that submarines which were previously platforms for Russian ballistic missiles but which have been pulled in in order to comply with the SALT II treaty are being readied to be armed with SS-N-21 missiles," Holst claimed at the Defense College.

### **The CAST Brigade**

We still have no replacements for the Canadian CAST brigade which is being withdrawn from Norway. For the time being we have not asked any particular country to take part, nor have we ruled any out, he pointed out.

"If the question of a West German contribution should come up, in Norway's view this would not break with the low-tension scheme in North Europe," said the defense minister.

8831

### **Army Inspector General Cites Shortages of Officers, Ammunition**

36390034a Oslo AFTENPOSTEN in Norwegian  
4 Jan 88 p 7

[Text] "The Army is short 450 officers. We are compensating for this by taking on officers with a lower level of education and experience than is desirable," said the Army inspector general, Maj Gen Dagfinn Danielsen, in an interview with the Armed Forces Supreme Command Press Service.

Danielsen stressed the fact that almost every Army unit is affected by a shortage of officers.

"As a consequence of the personnel situation, I have proposed for 1988 and 1989 measures which aim at cutting back on some activities," the inspector general says. This will be a matter of postponing review exercises for smaller units, doing away with expensive demonstrations, discontinuing national infantry competitions, and reducing participation in certain courses both at home and abroad.

### **660 Students**

Apart from this, Maj Gen Danielsen says he is satisfied with the enrollment in the Army's military academies for non-commissioned and commissioned officers. At the present 660 students are attending academies for regular

junior and non-commissioned officers. The enrollment in academies for commissioned officers is also increasing, according to Danielsen.

However, on the ammunition side the Army is still struggling with certain shortages. "But the Army will get greater firing power from the ammunition there is with a new Norwegian-developed firing guidance system for the artillery. We expect to procure within a couple of years new types of ammunition with increased range and greater effect," says Maj Gen Dagfinn Danielsen.

8831

## SWEDEN

### Defense Research Institute Sees Lighter Armor for Tanks

36500045b Stockholm SVENSKA DAGBLADET  
in Swedish 9 Nov 87 p 9

[Article by Roger Magnergard: "Light Armor on Tanks of the Future"]

[Text] The tank of the future will lack armor capable of withstanding direct hits from antitank weapons but will instead be quick and have a big gun.

This, in any event, is the picture FOA, the Research Institute of the Swedish National Defense, has of how the tank of tomorrow should look. In the last year, six FO experts have worked on a report dealing with, among other things, the tank which goes under the name of yoke tank.

The Army will order new tanks at the beginning of the 21st century. The reports, which serves as the basis for discussion but which can also partly form the basis for the army's future choices, was recently completed.

#### Light Tank

"What Sweden needs is a light tank which can operate in all types of terrain, regardless of weather," said Lars-Otto Nilsson, FOA's head engineer. "It will be light and quick so it will roll around enemies and be able to strike the most vulnerable points."

The large, heavy tanks of today weigh between 50 to 55 metric tons. The yoke tank, which is an unconventional tank, will weigh approximately 25 metric tons. It will be equipped with a 120-mm gun having both great firing accuracy and good response when used against all targets which can be anticipated on a contemporary battlefield.

#### Chemical Weapons

The chassis is designed so people traveling on the yoke tank are protected from fragmentation weapons, shock waves and biological and chemical weapons. However, the tank does not withstand direct hits from antitank weapons.

"A completely impregnable tank can't be made," Nilsson said. "That's why we dropped the heaviest armor protection."

Experience with the types of tanks currently available has shown that the best protection for a tank is its own gun, which, for this reason, will be a very substantial one.

The yoke tank will be significantly cheaper to produce than a conventional heavy tank. Thus, instead of getting 10 heavy tanks, the Army will get 16 or 17 yoke tanks.

According to Lars-Otto Nilsson, heavy tanks cannot always be used on Swedish terrain. For example, if it rains in Skane, they can easily get stuck. And in Norrland there are impassable bogs.

"What we're now proposing is an aggressive vehicle which can handle all types of Swedish terrain in every season."

However, tank troops and the Army leadership are not wholly positive about the new tank. Officers who drill troops wonder, among other things, about how they will get Swedish soldiers to use a tank which does not have protection to withstand all types of weapons. Accordingly they recommend a heavier tank.

FOA's alternate solution is a tank whose armor is removable. When the tank cannot advance further, the tank covering falls away completely.

#### Invasion More Difficult

"Such a tank would also withstand all types of Swedish terrain, but it would be just as expensive as a regular heavy tank. Then we'd lose our opportunity to increase quantities."

FOA's experts are convinced that Sweden will become significantly more difficult to invade by sea and that a land invasion across its borders would be extremely difficult if the armed forces have yoke tanks.

Thinking about the yoke tank builds on a restructuring of the Army. If FOA's proposals become a reality, the majority of Swedish soldiers will go into battle in some sort of protected vehicle.

The tactics will also be different. With the quick yoke tanks, the enemy will not be met with frontal strikes. The Swedish tanks will quite simply roll past their opponent's front line heavy tanks and strike behind the first line, where the enemy is significantly weaker.

12789/7310



## FINLAND

### Paper Comments on OECD Report Predicting Inflation Return

36170036 Helsinki HELSINGIN SANOMAT in Finnish  
31 Dec 87 p 2

[Text] The most serious concern of Finland's economy is inflation, which threatens to accelerate here according to the most recent prediction issued by the OECD [Organization for Economic Cooperation and Development]. Inflation will remain under control better elsewhere, but unemployment concerns continue to increase in Western Europe. Western Europe's economic growth will remain at 1.75 percent next year. The unemployment level will increase there to 11 percent next year and in 1989 it will be 11.25 percent of the labor force. The OECD is urging its member countries to adopt measures that will accelerate economic growth.

The urging applies, above all, to such members countries as West Germany and Japan, whose balance of payments is strong and inflation is under control. West Germany has become a special subject of the OECD's economic recovery expectations, but its desire to adopt forceful recovery measures has remained weak in spite of the fact that its economic growth has clearly shrunk below the average level of industrial countries and even EC-countries and is threatening to remain there next year also.

Also several of the Far East's new industrial countries outside of the OECD have prospered quickly and they have large currency reserves. Currencies following the weakening dollar have increased the competitive edge gained from their cheap labor force. Taiwan's currency reserves are the world's largest. The still rather uneven and relatively low income level of the residents of newly industrialized countries, on the average, however, hinder their opportunities to act as draft animals of the world economy.

The OECD's predictions, weakened somewhat by the stock market shock in the fall, are based on the expectations that this negative surprise will be a one-time event. The report continues to forecast that the exchange rate for currencies will remain as before, interest rates will drop, the economic policies of leading countries will increase the confidence of consumers and investors, and the United States will succeed in balancing its budget. The dollar, however, has continued to fall essentially, and confidence in the ability of the United States to resolve its budgetary problem is not particularly convincing. Development may be worse than the OECD's prediction.

The deteriorating prospects are especially difficult for Finland's economy, for which both cheaper oil and the dollar mean additional problems in trade with the East. Declining exports to the USSR along with a more difficult situation with respect to exports to the West

places increasing demands on the international competitive ability of Finnish products. Finnish industry can no longer easily improve its profitability and increase its market share by improving productivity, as has been the case in recent years.

The OECD's warnings to Finland are for good reason different than they are to several other industrial countries. There is no need to urge Finland to adopt measures for economic recovery. We are clearly faced with the danger of accelerating inflation and an increase in the balance-of-payments deficit. In recent months, there has been joy over the fact that the rate of price increases here has remained below the average level of industrial countries, but this joy may be short lived. Cost and price pressures are lurking behind the door.

The OECD's report considers that even moderate increases in nominal wages next year can accelerate inflation dangerously, increase unemployment, and reduce real earnings as well as continue to reduce savings. Economic growth this year has, to a great degree, been funded by considerable imports of foreign capital, which a large difference in interest has made enticing.

Finland has enjoyed a growth rate that has been more rapid than in other countries for years as well as a relatively stable and even development. It is foolhardy to expect that everything will go just as well in the future. There is reason to take the OECD's warnings seriously.

10576

## FRANCE

### Aerospatiale Shows High Export Rate for 1987

35190027a Paris LE MONDE in French 7 Jan 88 p 24

[Text] Despite the dollar crisis, which since 1985 has cost the dollar 44 percent of its value, the Aerospatiale company succeeded in exporting three-fourths of its production in 1987. This information was released on Wednesday, 6 January, in Paris by Mr Henri Martre, CEO of that national company, which, in particular, manufactures the Airbus, helicopters, missiles and satellites. In 1987, it received orders totaling Fr29 billion, approximately 72 percent of which were for export, in the military and civil aviation sectors.

Mr Martre noted that his company had set a 1987 goal of Fr 28 billion in new orders. The fact that it exceeded this goal despite the depreciation of the dollar, which remains the international currency with respect to aeronautics and space, is a real "performance" for this national company.



In all, Aerospatiale's order book currently totals Fr50 billion, or the equivalent of 2 years of work ahead at full output. This result concords in particular with sales of Airbus (all models), amounting to 194 firm orders and 111 options, and sales of the ATR regional transport plane.

Added to this civil aviation market, which is growing at a fast rate (on the order of 6 percent per annum for the coming years), are the 1987 orders for 14 Ariane-4 launchers (the equivalent of Fr1.16 million based on mid-1985 economic conditions)

A start of execution of these orders in 1988 would translate to a prospective increase of 10 percent in Aerospatiale's revenue, which in 1987 totaled around Fr25 billion according to initial estimates subject to confirmation in April.

Concluding his remarks, Mr Martre pointed out that never since the Liberation has his company initiated as many civil and military programs in the space of a single year. These programs include the new Airbus A-330 and A-340, the Franco-German combat helicopter, the Orchidee airborne battlefield surveillance system, the Aster anti-aircraft and anti-missile missile, the S-4 light-weight ballistic missile, the Helios observation satellite, the Ariane-5 European launcher, and the Hermes space plane. Other projects are under study, such as the hypersonic transport plane and the STS 2000 space transport system. Aerospatiale is devoting Fr7.50 million (or 30 percent of its revenue) to research and development.

9399/9604

## GREECE

### Inflation Rate High

35210047b Athens I VRADYNI in Greek  
11 Dec 87 p 17

[Text] During the January-November 1987 11-month period, inflation moved at a 16.4 percent rate. In November the cost of living index increased by 0.7 percent compared to October. In other words, it increased as much as in the corresponding month of the previous year. On a 12-month basis (November 1986 to November 1987) the cost of living index increased by 15.3 percent compared to 19.8 and 22.7, respectively, for the corresponding periods of 1985-1986 and 1984-1985. Finally, the cost of living index in the period from January to November showed an increase of 14.3 percent compared to that of December 1986.

/9738

### Pessimistic Overview of 1988 Economic Developments

35210062 Athens I VRADYNI in Greek 15 Jan 88 p 17

[Article: "1988: Deterioration of the Economic Situation...According to Official Forecasts"]

[Text] A downturn of the economy is expected for 1988, due to the deterioration of several important economic indicators, coupled with the hopeless situation with regards to inflation, unemployment, foreign debt and the like. According to data promulgated by the Ministry of National Economy, during 1988 the deficit in the balance of payments will reach \$1.8 billion, unemployment will reach 8.5 percent, inflation will settle at about 13.5 percent, while the rate of growth in the gross national product, according to estimates by the Organization of Economic Cooperation and Development (OECD), will not exceed 1.5 percent.

Yesterday, the minister of the national economy submitted to the public his economic report for 1987, as well as the 1988 forecasts prepared by research institutes, and expressed his optimism on the economic outlook in the immediate future. However, the data bear a different message. Specifically, the following trends are forecasted for 1988:

—According to estimates by the OECD, the gross domestic product will increase by a mere 1.5 percent. The minister of the national economy foresees a 2 percent increase, based on economic measures already taken, which were unaccounted for in the OECD study, such as those dealing with incomes policies and the private sector.

—Unemployment will increase by 8.5 percent. In other words, unemployment will be higher than during 1987.

—Inflation will settle around 13.5 percent, despite government's assertions that in 1988 we will experience single-digit inflation.

—The deficit in the Current Account will exhibit an impressive increase, forecasted at \$1.8 billion. It is noted, that during 1986 the deficit rose to \$1.7 billion, while the government's forecast for 1987 was \$1.25 billion only.

—Government expenditures will rise by 3 percent in constant prices, while private consumption will increase by 0.4 percent, during 1988.

—Private sector investments in 1988 will increase by 7.5 percent, in constant prices, thanks to incentives provided in the past.

—Exports of goods will increase by 3 percent while those of services will increase by 3.5 percent, in constant prices.

—Imports will rise by 3 percent, due to increases in domestic consumption- and investment-demand.

—Direct taxes will increase by 25.3 percent as opposed to 19.2 percent in 1987.

—The monetary policy will be sufficiently contractionary, to frustrate any tendencies of wage-cost push inflation.

—The deficit in the Current Account is forecasted at \$1.25 billion.

—The foreign outstanding combined public indebtedness reached \$15.015 billion by 31 December 1986.

Commenting on the forecasts of economic performance for 1988, the minister of national economy anticipated improvements; however, he did not comment at all on the international business cycle and specifically currency fluctuations.

**Foreign Indebtedness of the Public Sector, as of 31 December 1986**

Central Administration	2067.8
Public Enterprises and Organizations	5257.5
a. Public Enterprise of Electrification	2908.4
b. Organization of Telecommunications of Greece	1247.0
c. Olympic Airways	435.2
d. All others	666.9
Public Credit Organizations	7268.0
a. Bank of Greece	6385.1
b. National Bank of Industrial Development, Agricultural Bank, Mortgage and Loans Bank	882.9
Private Borrowing, Guaranteed by the Government	422.3
a. Various banks	335.3
b. Private enterprises	87.0
Total	15,015.6

\$6.0 million are shown on the above table. The outstanding foreign public sector debt figures are as of 31 December 1986.

13373/6091

**ICELAND**

**Newspaper on Economic Outlook For 1988**

36260012 Reykjavik MORGUNBLADID in Icelandic  
31 Dec 87 p 30

[Editorial: "Fire in the New Year"]

[Text] Icelandic economic life was eventful this past year. The great change that took place in the support for the political parties in the parliamentary elections that took place in April has not led to increased stability in politics; on the contrary, it has promoted dissolution that characterizes the political struggle. The Independence Party is no longer the powerful national movement it

was for over half a century. No one knows whether this is a temporary situation or a lasting one. Two new political movements, the Women's List and the Citizens' Party, have made a niche for themselves. It is clear that the Women's List is beginning to gain a permanent foothold. There is more uncertainty concerning the future of the Citizens' Party.

This state of political dissolution does not give rise to optimism and there is no change in sight.

The prosperity of the last 2 to 3 years has yielded great value for the national economy and prosperity has been fairly even during this period. It is foreseeable that this period of prosperity is coming to an end and that the nation has not had the foresight to prepare for harder times. The conflict that has prevailed in the Althing during these past weeks reflects the difficulty in adjusting to less prosperity.

The Althing and the government do not get the opportunity to slow down the process, although the budget and revenue bills have been or will be passed and the end of the fishing policy approval is in sight. At the beginning of a new year, we are faced with enormous problems. The wage agreements of most trade unions are open and it is foreseeable that there are difficult wage negotiations ahead in the labor market. The falling exchange rate of the U.S. dollar places a larger question mark on the government's exchange rate policy than ever before.

Although these daily affairs do, of course, put their mark on the discussions of the day, there are other issues that are of greater importance for the nation's future. We do not have much time left before we enter a new century. The question of how small nations will fare in the future we are facing becomes increasingly more relevant. International development indicates an increase in close cooperation between nations. Powerful alliances of nations are being created, in which the role of the smaller nations may become more difficult than many people suspect. New mass media technology is breaking down the walls that have been built between nations. The Berlin Wall can prevent people traveling between the East and the West, but it cannot prevent ideas and opinions being transferred via satellites between people on each side of the still existing Iron Curtain. To that extent, the mass media technology has great influence. On the other hand, it contains dangers for the language and culture of small nations such as ours.

We must do two things simultaneously, tackle the problems and tasks of the present and keep the future position of the nation in mind.

Most likely there have been greater changes in our economic and financial matters in recent years than we realize. Adjustment to the changed circumstances is difficult but it must take place. We no longer live in a society in which inflation burns up debts incurred by the

individual and firms and saves stupid investments. Whatever happens concerning the inflation development in the coming months, it is unlikely that we will encounter such a society again.

Even if the daily affairs can fill our agenda, we must by all means guard the future of the nation. The century in which the country reclaimed its independence is advancing. We will not automatically maintain our independence forever in the period of uncertainty we are now living. Freedom is a challenge, a constant food for thought. The life threatening danger Iceland is now facing because the country and its inheritance is being sieged from all direction could cost us dearly, but it could also be the fire that would invigorate the nation's strength and its cultural presence. Let us greet a new year with that hope.

09583

## ITALY

### Benefits of 'Perestroika' for Economy Debated

#### Doubts Expressed

35280091 Milan *ITALIA OGGI* in Italian  
11 Dec 87 p 6

[Article by Luciana Santaroni: "But Is Perestroika Really a Bargain?"]

[Text] Turin—Is Russian really a golden opportunity? Certainly, a market of 280 million people which is playing the development card and which shows a good bit of sympathy for things Italian (as the third-ranking trade partner, after Germany and Finland) is not an opportunity to be ignored. But, with the excitement over the new forms of cooperation launched by Moscow having peaked the business world is starting to ask itself whether perestroika is any kind of deal or whether doing business with the Kremlin does not, in fact, mean bringing home a giant "Trojan horse," capable of invading the Italian market with "politically" priced products perilous to home-grown industry.

An examination of current and future economic relations with the USSR took place in Turin at a meeting sponsored by the Manufacturers Association and the Banca Nazionale del Lavoro [BNL]. Roberto Mazza, chairman of the association's international relations committee; Paolo Mazzotto of the BNL of Turin; the vice president of the Soviet trade mission to Italy, Tolkunov; Giorgio Bialetti; Franco Maiocchi of the BNL's international department; and Alberto Levi, president of SOGECRED (Bull group trading company); all took their turns at the lectern.

"The Soviet Union is one of this country's foremost trade partners outside the European Community," Mazza recalled, "and collaboration with the Turin business community, in particular, is an established reality. In 1986, exports to the USSR, at 310 billion lire, amounted to almost 13 percent of the entire volume of Italian exports."

Tolkunov dwelt for some time on the prospects opened up by the law passed by the USSR Council of Ministers in January 1987, which granted 20 ministries and 70 state enterprises the right to carry out import-export operations directly. "With respect to joint ventures, around 250 are now under consideration, involving sectors of priority importance for the USSR: metalworking, light industry, food, chemicals, agrochemicals, paper. Over 30 of these projects involve Italian firms: Agrotec, Merloni Progettis, Inger Italia, SNIA BPD, Ecofuel, Simod, Ansaldo Motori, Ottogalli and others. Certainly, many problems must be solved with respect to financing and credit insurance. But SACE, the Banca Commerciale Italiana, Medio Credito Centrale, Banco di Roma, BNL, and Banco di Napoli, along with our own "Gosbank" and "Vnesheconombank," are working to find solutions."

A number of questions persist, however, for the Western firms. "We are facing a change that is fraught with great drawbacks," said Alberto Levi, president of SOGECRED, "including the lack of specialized management. We will have to deal with, and to discuss contracts with, individual firms scattered over an immense territory, and to interact with managers who have no notion of international prices."

In the first 9 months of 1987, Italian-USSR trade was 4.539 trillion (1.937 trillion in Italian exports, as against 2.602 trillion lire in imports from the Soviet Union).

#### Fiat's Opinion

35280091 Milan *ITALIA OGGI* in Italian  
11 Dec 87 p 6

[Article by Luciana Santaroni]

[Text] Turin—"Joint ventures are an exciting phenomenon, but let us evaluate them as means, not as ends. Let us not forget that Fiat, with Togliattigrad, carried out the biggest contract with the Soviet Union without any need of a joint venture." According to Ermanno Pedrana, chief of the Fiat office in the USSR, procedural choices are being based on objectives.

"Perestroika is an irreversible fact that the West ought to encourage, but undoubtedly there is a long way to go. Russia is open to innovation, but it has not yet achieved a mentality or a culture that allows it to deal with innovative. Presently it has shut down some structures

and has to create new ones. It is going to have to face the quality-control problem, for example, and make purchase of Soviet goods attractive rather than unavoidable."

Not an easy market, therefore. "The USSR is interested, not in products," explains Pedrana, "but in technology. Anyone who means to do business with the Soviets, therefore, has to dedicate a lot of resources or risk losing money."

For Fiat, however, which has been "sowing" for 30 years, the moment for reaping new fruit seems to have arrived. "Fiat is not just cars. And we are looking into opportunities for new cooperative ventures in other sectors. We have been sowing for some time so that areas like parts, agroindustry and services will bear fruit."

#### **Fata Sees No Problem**

35280091 Milan *ITALIA OGGI* in Italian  
11 Dec 87 p 6

[Article by Luciana Santaroni]

[Text] Turin—The bottom line looks good to Pietro Mulatero, director for special projects at Fata European group, the Turin firm that is active in the first "made-in-Italy" joint venture (one of nine with foreign capital now agreed to by the USSR).

"There is no reason to worry," he explains. "Russia is not Taiwan, and has no aggressive intentions against our markets. Exports generating foreign exchange to finance imports account for about 7 percent of output."

Fata hold 27 percent of Sovitalprod mash (capitalized at 30 million dollars), a freezer and refrigerator manufacturer with 2,000 employees that expects sales of 450 to 500 million dollars a year."

To operate in the USSR, he states, a careful evaluation of market requirements and available supplies of raw materials is necessary.

"Also appropriate is research on the type of technology to transfer: it must permit quick application and easy assimilation. As far as negotiation of the contract is concerned, it is necessary to detail all aspects of the firm's operations in the agreement or in the articles of incorporation, since Soviet law is very flexible and open-ended."

13070/12232

## **NORWAY**

### **Agreement With USSR on Arctic Technical Research**

36390029c Oslo *AFTENPOSTEN* in Norwegian  
10 Dec 87 p 12

[Article by Aasmund Willersrud: "Agreement With Soviets"]

[Text] Moscow, 9 December—This week Norway and the Soviet Union end negotiations on an agreement for technoscientific cooperation in the northern territories and the Arctic. The agreement will be signed during Premier Nikolay Ryzhkov's visit to Norway on 14 January.

"This is just the beginning of greater and more extensive cooperation with the Soviets in the northern territories," says Odd Rogne, director of the Norwegian Polar Research Institute, to *AFTENPOSTEN*. Together with Jan A. Holtet, a colleague, and Anders Omholt, managing director of the Norwegian Research Council for Science and the Humanities, he is in Moscow to work out the final details.

#### **Four Areas**

For the time being, the agreement concentrates on four areas of research: geology, Arctic biology, physics of the upper atmosphere, and oceanography, including studies of sea ice. All are areas in which it is important to collect data across the borders.

This does not necessarily mean that Norwegian researchers will work on Franz Josef Land, or Russians on Bjornoya (Bear Island), but the agreement makes it possible to define what information is needed and then decide which method is most practical. It is likely that Soviet researchers will board Norwegian research ships, and vice versa.

#### **Sensitive Area**

In part, the cooperative agreement touches on politically and strategically sensitive areas in the Barents Sea and near big Soviet bases on the Kola Peninsula, a reality which the researchers simply must accept. In any case, the agreement offers great benefits to researchers in both countries, the Norwegians believe.

#### **International Agreement?**

The Norwegian delegation in Moscow is also discussing an agreement for international cooperation in the Arctic, similar to one that exists for the Antarctic. Norway views the international agreement as perhaps even more important than the bilateral one. Here the Russians have been more reserved, but the Norwegians have made it clear that such cooperation depends largely on Soviet participation. As some people read it, the answer came in



party leader Gorbachev's speech this autumn in Murmansk, where he called for broader cooperation on research in the northern territories.

12327/12913

## SWEDEN

### Feldt's Budget Proposal, Economic Assumptions Questioned

36500060 Stockholm DAGENS NYHETER in Swedish  
11 Jan 87 p 12

[Commentary by Jan-Magnus Fahlstrom: "No Unclouded Joy for Soothsayer Feldt"]

[Text] The budget being submitted today, Monday, by Minister of Finance Kjell-Olof Feldt contains figures on economic growth, consumption, investments, inflation, exports, imports, employment, and other "key figures" concerning the Swedish economy in 1988.

The only thing we can know for sure when we look at those figures is that things will not go exactly as predicted. The future is not that predictable.

But reality can differ more or less drastically from the forecasts. How did Kjell-Olof Feldt fare as a seer in 1987? What was he saying a year ago, and how did things turn out?

The table below compares a few key figures for 1987 as they appeared in the budget submitted in January of last year with the corresponding figures in reports published in December by the government's Institute of Economic Research (KI), the Banking Company of Swedish Savings Banks (SpB), and the TCO [Central Organization of Salaried Employees].

Even a fleeting glance at the table shows that the picture of how things went in 1987 is still unclear. The figures reported by the KI, the SpB, and the TCO differ from each other at several points.

That is not so odd. After all, when those reports were presented in December, 1987 was not yet over. Their authors could not have had figures for the entire year to work with. They were forced in fact to rely on forecasts for all of the fourth quarter and even for some time before that.

To a great extent, that is also true of the 1987 figures included by the minister of finance in the current budget. They will be gradually revised during 1988, and it will be 1989 at least before we have the final figures on how things went in 1987.

The fact that knowledge not only of the future but also of the present situation and the recent past is uncertain and incomplete, is naturally a source of headaches for Kjell-Olof Feldt and other decision makers and forecasters.

But with all those reservations in mind, we can nevertheless draw certain conclusions by comparing what was said about Sweden's economy during 1987 in last January's budget and in the three reports published in December, primarily that from the KI.

Concerning economic growth (the increase in GNP, meaning the total production of goods and services), the minister of finance seems to have come pretty close with his 2.2 percent—and was even slightly on the low side if we are to believe the KI and the SpB, which show 2.3 percent.

But the driving forces behind that growth were more domestic than the budget had anticipated. Exports rose at a slower pace, and private consumption and investments grew at a faster rate.

Some of the unexpectedly strong growth in demand by consumers and investors was satisfied from abroad. Imports increased more than Feldt had expected, and the surplus in the trade balance dropped by just over 6 billion kronor: to 23.4 billion kronor according to the KI, compared to the 29.6 billion forecast in the budget.

That was not enough to pay the interest on foreign debt and other external commitments. The expected surplus of 3.6 billion kronor on current account appears to have turned into a deficit of 4.0 billion kronor, and that deficit, according to all observers, is going to take a real jump this year.

As far as inflation is concerned, reality has, as usual, not lived up to the finance minister's hopes. The budget forecast a 4.0-percent increase in consumer prices during 1987, but the result stands somewhere between 5 and 6 percent.

In this case, there is reason to doubt that Feldt really believed his own assumptions. He has reason to stay on the low side in the hope of being able to influence expectations and therefore, if he is lucky, reality as well. But he was not successful this time.

In the table, unemployment appears to have dropped to a lower level than that shown in the budget. But this is an optical illusion. The one-half of a percentage point separating the two figures is due to a reorganization of the statistics.

To sum up the picture presented by a comparison between the budget forecasts for 1987 and the very preliminary computations of the results, we can say that Kjell-Olof Feldt was right in his assumption about economic growth. The goal of maintaining high employment and low unemployment was achieved. Hopes that investments would pick up speed were exceeded.

Feldt also has another cause for rejoicing that does not appear in the table. In his budget, he expected the national budget deficit to reach 38 billion kronor during

## Feldt fick både rätt och fel

	Budget jan 87	KI dec 87	Sp B dec 87	TCO dec 87
(1) BNP	2,2	2,3	2,3	2,0
(2) Privatkonsumtion	3,0	4,0	4,0	3,7
(3) Offentlig konsumtion	1,0	1,0	1,0	1,0
(4) Bruttoinvesteringar	2,5	5,8	4,0	3,2
(5) Därav industri	12,0	14,8	14,0	13,0
(6) Export	2,5	2,2	3,0	2,0
(7) Import	4,0	4,3	6,0	4,2
(8) Handelsbalans	29,6	23,4	24,0	23,0
(9) Bytesbalans	3,6	- 4,0	- 3,0	- 4,0
(10) Konsumentpriser	4,0	5,2	5,5	5,5
(11) Industriproduktion	2,8	2,3	3,5	3,0
(12) Arbetslöshet	2,5	2,0	-	1,9

In this table, a few key figures on Sweden's economy in 1987 as shown in the budget presented in January of last year are compared with the way things really turned out according to calculations published in December by the Institute of Economic Research (KI), the Banking Company of Savings Banks (SpB), and the TCO. The figures are shown as follows: trade balance and current account balance: in billions of kronor; consumer prices: percentage increase during the year; and unemployment: percentage of labor force. All other figures indicate the percentage change in volume (at constant prices) since 1986.

Key:

1. GNP
2. Private consumption
3. Public consumption
4. Gross investment
5. of which industry:
6. Exports
7. Imports
8. Trade balance
9. Current account balance
10. Consumer prices
11. Industrial production
12. Unemployment

calendar year 1987 (according to the accounting method used by the National Debt Office). But it appears to have stayed somewhere around 10 billion kronor.

But the finance minister's joy at that result is scarcely unclouded. The fact that the budget deficit turned out to be so much lower than he had assumed was due primarily to a sharp increase in tax revenues, and that, in turn, was a consequence of the fact that wages, prices, and private consumption rose much faster than he had hoped.

An important goal in the economic policy has been to restrain wages, prices, and consumption to benefit savings, competitiveness, and a better balance in foreign

business. The figures on private consumption, exports and imports, the trade balance, the current account balance, and consumer prices as shown in the table reveal that Feldt's policy did not measure up to those aspirations.

So as far as that important piece of the "policy of the third way" is concerned, 1987 was a disappointing year. From that standpoint, the parts of the budget for this election year of 1988 that have appeared so far scarcely inspire one with joyful expectations.

**END OF**

**FICHE**

**DATE FILMED**

4 April, 1988